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ABSTRACT

A wide variety of data, collected in 1985 and 1986, is presented in this first biennial report that deals with U.S. housing and the demographic, social, and economic characteristics of its occupants. The U.S. Census American Housing Survey of 1985 is the primary database for the report, which provides an excellent resource for teacher background or student projects. Part 1 of the report covers physical characteristics: types of housing, regional housing patterns, year built, size, plumbing facilities, and water source. Part 2 deals with the housing market and financial characteristics: tenure and mortgage status, home prices, real estate taxes, regional homeowner costs, rental costs, condominiums and cooperatives, and mobile homes. Part 3 presents information on social and economic characteristics: housing occupancy, householder ages and tenure, income, marital status of homeowners and of renters, household mobility, householders with children, elderly, Black, and Hispanic householders. The statistical information is presented narratively as well as graphically in the form of charts, graphs, and tables. (JB)

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Series H-121, No. 19
CURRENT HOUSING REPORT

Housing in America 1985/86

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Housing in America 1985/86

Issued March 1989

U.S. Department of Commerce

Robert A. Mosbacher, Secretary
Robert Ortner, Under Secretary
for Economic Affairs

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232-885 O - 89 - 2 QL 2

Preface

This first biennial report on Housing in America presents a wide variety of data collected in 1985 and 1986 in current surveys dealing with America's housing and the demographic, social, and economic characteristics of its occupants.

The American Housing Survey of 1985 is the primary data base for the report. Reports or data available after 1986 will be covered in *Housing in America: 1987/1988.*

Census Bureau data sources and key contact persons include:

Current Housing Reports;

- H-111, Housing Vacancies:
  Wallace Fraser,
  (301) 763-8165
- H-130, Market Absorption of Apartments:
  Anne D. Smoler,
  (301) 763-8165
- H-150, American Housing Survey:
  Edward Montfort,
  (301) 763-8551

Current Construction Reports;

- C20, Housing Starts;
- C22, Housing Completions;
- C25, New One-Family Houses Sold and For Sale:
  David L. Fondelier,
  (301) 763-5731
- C40, Housing Units Authorized by Building Permits:
  Linda P. Hoyle,
  (301) 763-7244
- C50, Expenditures for Residential Upkeep and Improvement:
  Allan B. Meyer,
  (301) 763-5717

Other data sources include:

U.S. Department of Commerce, Bureau of Economic Analysis, Business Conditions Digest, Index of Twelve Leading Indicators. U.S. Department of Labor, Bureau of Labor Statistics, Consumer Price Index, All Urban Consumers - (CPI - U). Federal Home Loan Bank Board, Office of Policy and Economic Research, Mortgage Interest Rate Survey. United Nations, Department of International Economic and Social Affairs, Statistical Office, Compendium of Human Settlements Statistics, 1983.

Part 1

The Nation's Housing Inventory

Occupied and Vacant Units

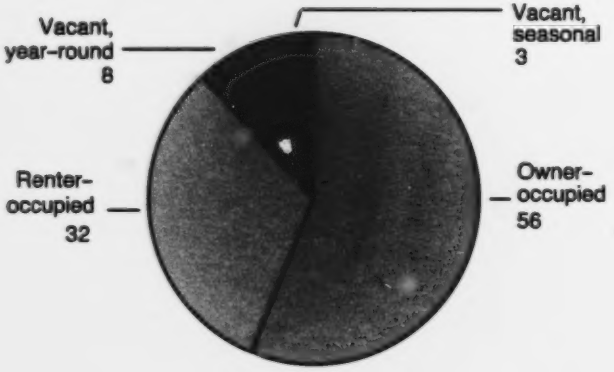
About 88 million of the Nation's housing units were occupied by homeowners and renters in 1985. Under Census Bureau definitions, these are synonymous with households. Homeowners occupied 56 million units, and renters, 32 million. The 11.5 million vacant housing units fall into two broad groups. Vacant, year–round units totalled about 8 million, and seasonal and migratory units, 3 million.

Metropolitan Location

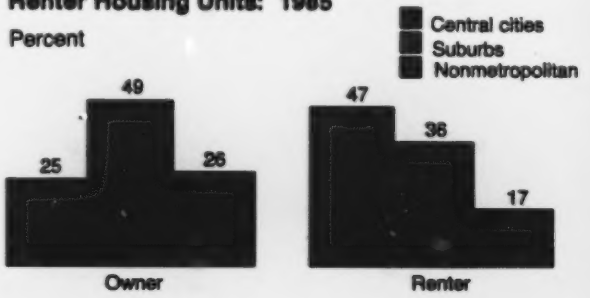
In 1985, about one–half the Nation's owner–occupied housing, 49 percent, was located in the suburbs — those sections of metropolitan areas outside central cities. The other approximately one–half of homeowner units were about equally divided between central cities and areas outside geographical boundaries of Metropolitan Statistical Areas (MSA's). Slightly less than one–half of rental units (47 percent) were in cities, more than one–third in suburbs, and one–sixth in nonmetropolitan areas.

Most of the 4.5 million vacant, year–round housing units currently for sale, for rent, or rented and sold but not yet occupied, were in MSA's. One–half the 7 million vacant housing units that were not part of local sales and rental markets for permanent, year–round residency were located in nonmetropolitan areas. These included vacant, seasonal units, and vacant, year–round housing held for occasional use, or held off the market for other reasons.

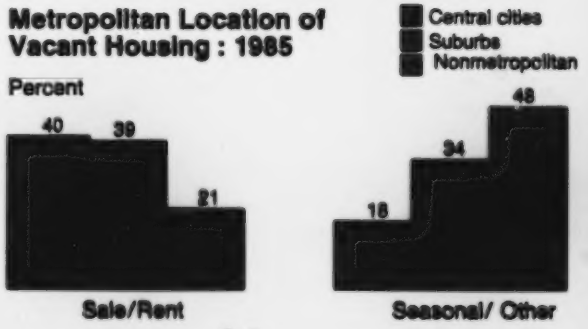
Occupied and Vacant Housing Units : 1985



Metropolitan Location of Owner and Renter Housing Units: 1985



Metropolitan Location of Vacant Housing : 1985



Types of Housing

Year-round Units

About two-thirds of the Nation's year-round housing units were single-family homes in 1985. Three-fifths of the homes were one-unit, detached, and about 1 in 20 were one-unit, attached, which are called townhouses in many areas. Including mobile homes, 7 of 10 year-round homes were in one-unit structures.

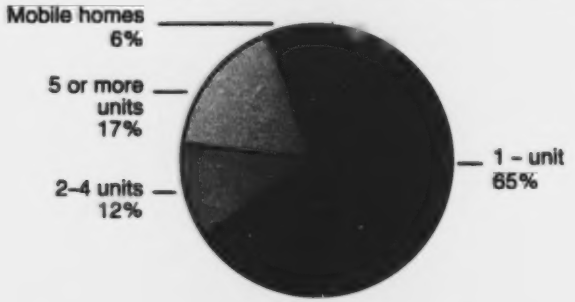
About 3 of 10 year-round units were in multiunit buildings. Most of these were in multiunit buildings of five units or more.

Owner and Renter Units

Most homeowner units were in one-unit structures. These included 87 percent in single-family homes and 7 percent in mobile homes.

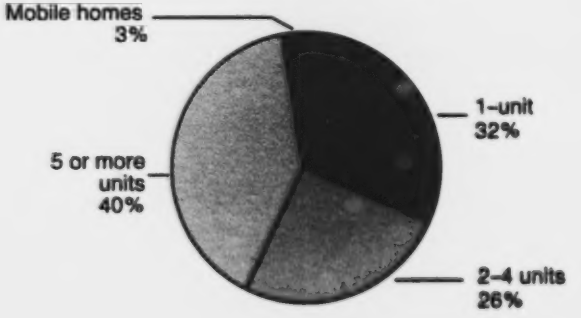
Two-thirds of rental housing units were in multiunit structures — one-fourth in structures with two to four units, and two-fifths in structures with five or more units. Three tenths of rental units were in single-family homes. The remainder, about 3 percent, were in mobile homes.

Year-Round Housing Units : 1985



Homeowner Units : 1985

Rental Units : 1985



Regional Housing Patterns

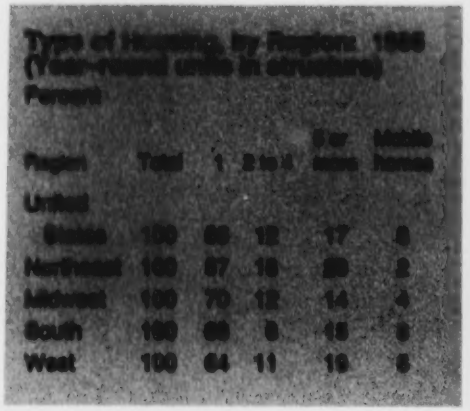
Regional Location

Since housing has followed regional shifts in population, it's not surprising to find that more than one-half the Nation's housing supply was in the South and West in 1985. The South alone had 35 percent of the Nation's total housing units, and the West, 20 percent. The Northeast and Midwest regions have lost ground since 1940 in their share of the total housing inventory. These two regions contained 45 percent of U.S. housing in 1985, down from their 59-percent share in 1940.

There were also regional differences in the metropolitan location of housing units occupied on a year-round basis. More than 8 of every 10 occupied units in the Northeast and West were located within metropolitan area boundaries; also, central cities contained more than one-third of the housing units in each of these regions. In the Midwest and South regions, seven-tenths or more of occupied units were in MSA's, and three-tenths or less were in nonmetropolitan areas.

Regional Housing Types

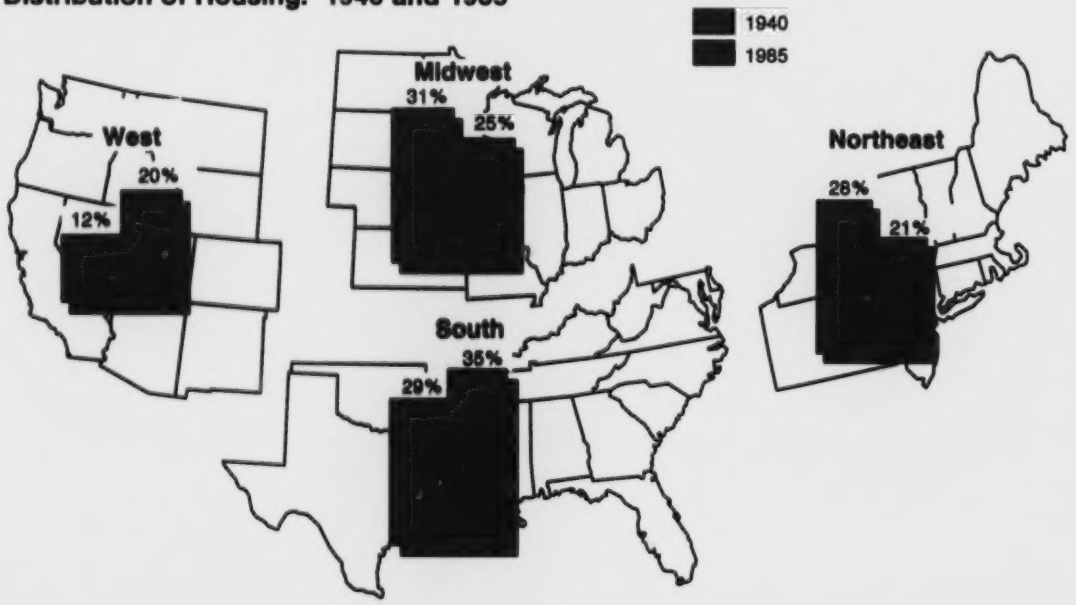
Types of housing found within regions also reflected different settlement patterns. About 7 of 10 year-round housing units were single-family homes in the Midwest and South. The Northeast lead in percentage of housing in buildings with two to four units and with five or more units. Mobile homes were more prevalent in the South than in other regions.



Type of Housing, by Region: 1985
(Year-round units in structure)
Percent

Region	Total	1	2 to 4	5 or more	Mobile homes
United States	100	66	12	17	6
Northeast	100	57	16	25	2
Midwest	100	70	12	14	4
South	100	68	9	15	8
West	100	64	11	19	6

Regional Distribution of Housing: 1940 and 1985



13

14

Year Built

Median Age

The median age of housing was about 23 years in 1985. This means one-half of housing units were built from about 1962 to 1985.

Almost one-fourth of year-round units were built from 1975 to 1985. Housing censuses of 1960,1970, and 1980 had reported about one-fourth or more of housing being built in the previous 10 years. Year-built data for 1970 and later are for year-round housing units, and for earlier years, all housing units.

Percent of Housing Units Built in the Previous 10 Years

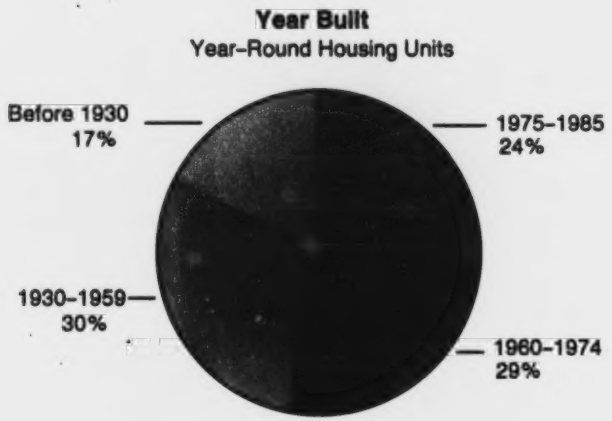
Year	Percent
1940	16
1950	21
1960	28
1970	25
1980	28
1985	24

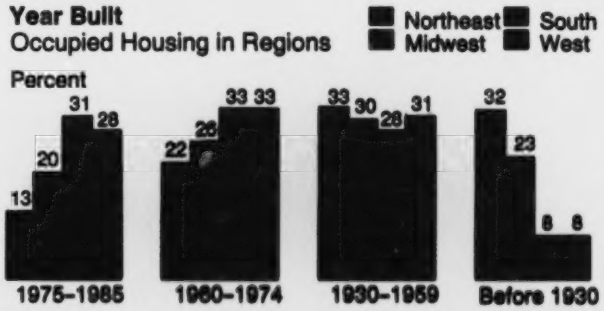
Owner and Renter Units

The median year built was 1962 for both owner- and renter-occupied units. One-fourth of rental units and a slightly smaller percent of owner units were built from 1975 to 1985. One-fifth of renter units and more than one-seventh of owner units were built before 1930, more than a half century before 1985.

Regions

The South had the highest proportion of occupied housing units built in the past 10 years, 31 percent, in 1985. In the fast-growing South and West regions, more than three-fifths of occupied units were built in about the past 25 years. The Northeast had the lowest percentage built in the past 10 years, and almost two-thirds of that region's housing was built before 1960.





Size of Housing Units

All Housing Units

The median size of single, detached homes and mobile homes was 1,583 square feet in 1985. Homeowner units were a median 1,712 square feet, and renter units, 1,245 square feet.

Lot sizes were reported for one-unit homes and mobile homes, and tabulated for 83 percent of these homeowner units and for 50 percent of rental units. Median lot sizes were 0.37 acre for homeowner lots and 0.30 acre for renter lots.

New Construction

The average size of new houses built in the United States in 1986 was 1,825 square feet. About one-third were 2,000 square feet or more. There were little or no differences in average sizes of houses among the regions. Since 1966, according to Census Bureau housing construction statistics, the average size of new houses has increased about 300 square feet, almost 20 percent.

Housing units in new multifamily buildings averaged 911 square feet in 1986. New apartments have averaged about 900 to 1,000 square feet throughout the 1970's and 1980's.

Rooms

Total number of rooms in housing units indicates growth in the amount of housing space available. In 1985, there were more than 500 million rooms in approximately 97 million year-round housing units. With a resident population of 240 million, this was an average of more than two rooms per person. About 46 percent of total rooms were bedrooms.

Stories and Elevators

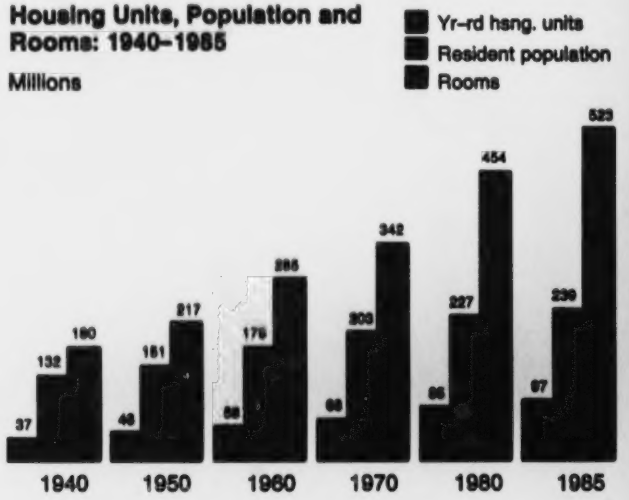
One in twelve year-round housing units were in structures of four floors or more — 8 million units in 1985. Three of five of these units were in the Northeast. Elevators were used for access to about 4 million housing units in multiunit buildings.

Average Size of New Single-family Homes: 1940 - 1986

Square feet

Housing Units, Population and Rooms: 1940-1985

Millions



Plumbing Facilities

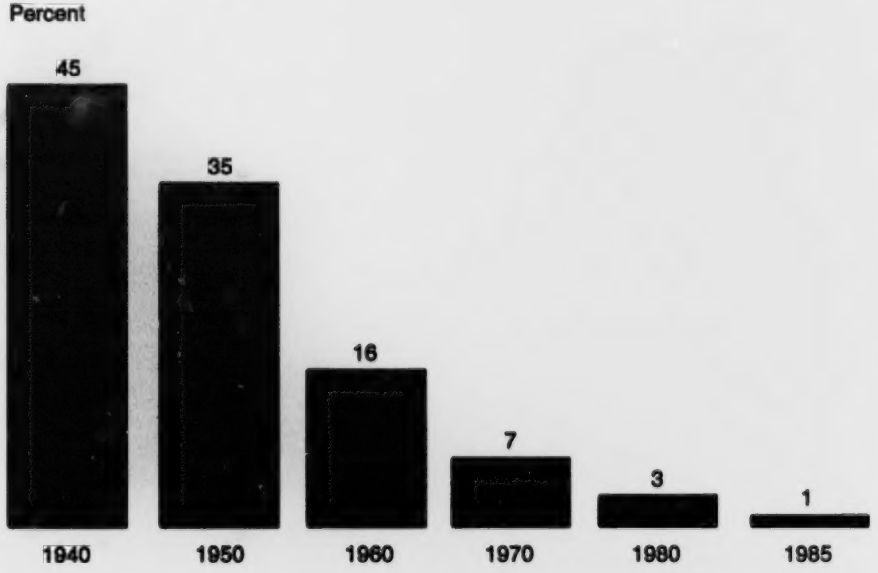
Historical Perspective

Once considered a major problem, lack of complete plumbing facilities now affects only a small percentage of the Nation's year–round housing. In 1985, only 1.1 percent of year–round housing units were lacking some or all plumbing facilities. These housing units do not have one or more of three specified plumbing facilities — hot and cold piped water, flush toilet, and bathtub or shower — inside the unit. The 98.9 percent of year–round housing units with complete plumbing facilities included a small number where the toilet or bathing facilities were also used by occupants of other housing units.

The 1985 data are slightly different from 1980 census data. In 1980, when 2.3 million year–round units lacked complete plumbing for exclusive use, approximately 25 percent had complete plumbing facilities that were also used by other households.

In 1940, approximately 45 percent of all housing units were lacking complete plumbing facilities, including about 5 percent with shared toilet facilities or bathing equipment. America's housing has been substantially upgraded since that time, by construction of new housing, removal of older housing, enforcement of housing codes, and repair and upgrading of existing housing. In 1985, 99 percent or more of occupied units in every region had all plumbing facilities.

Housing Units Lacking Complete Plumbing Facilities: 1940 - 1985



Water Source and Sewage Disposal

Source of Water

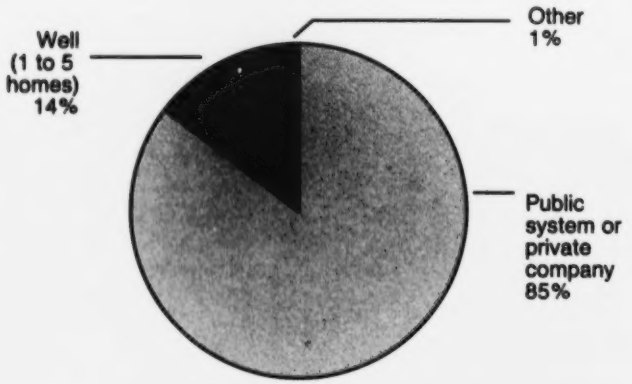
The source of water for most American homes is a public water system or a private water company. Nationwide, more than four-fifths of year-round housing units were served from these sources in 1985. These water systems served more than 97 percent of the homes in urban areas throughout the country, and half of the homes in rural areas.

Wells serving one to five homes were the source of water for 1 of 7 year-round housing units. This is predominantly a rural phenomenon, however, with slightly less than half of rural homes and only 2.5 percent of urban homes served by these wells.

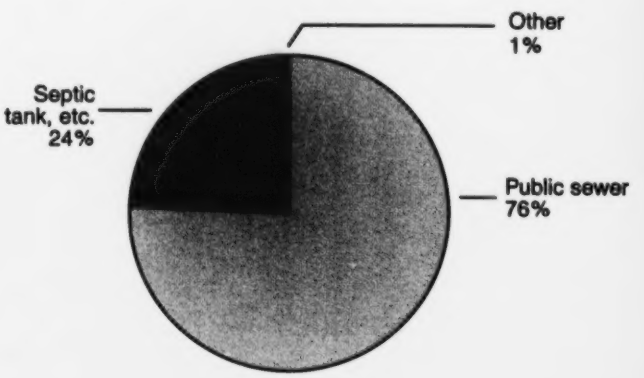
Sewage Disposal

Three-fourths of U.S. homes were served by public sewer and about one-fourth by septic tank, cesspool, chemical toilet, or other means in 1985. The "public sewer" is connected to a sewer system that may be operated by a governmental body or private organization. A septic tank or cesspool is an underground tank or pit used for disposal of sewage. Sewage disposal in urban areas was by means of public sewer for 93 percent of the homes. In rural areas, only one-fourth of the homes were connected to public sewer. Three-fourths of the rural homes used septic tanks, cesspools, chemical toilets, or other means.

Source Of Water : 1985
(Percent of year-round homes)



Sewage Disposal : 1985
(Percent of year-round homes)



House Heating Fuels

Predominant Fuels

Gas is the predominant heating fuel for the Nation's year–round houses and apartments. More than half of the Nation's homes were heated by natural (utility) or bottled gas in 1985. Electricity was used for heating 1 of 5 homes, and fuel oil and kerosene for more than 1 of 7. Wood was the primary heating fuel in more than 1 of 14 homes.

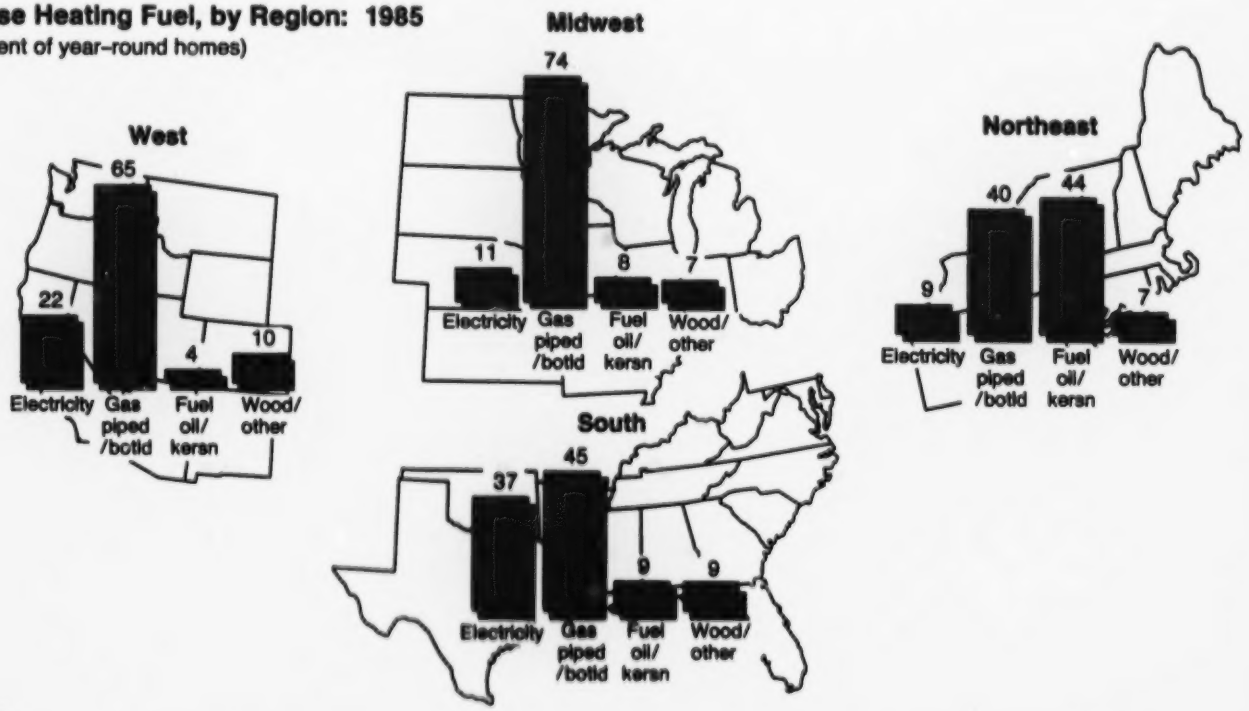
Recent Trends

As household fuel costs increased dramatically in the 1975 – 1985 period, consumers became more conscious of the need to conserve energy. Also, decisions by residential builders resulted in important changes. Fuel oil usage in occupied housing units dropped from about 22 to 14 percent from 1975 to 1985, while electricity increased from 13 to 21 percent. The use of wood as a primary heating fuel in homes increased from 1 to 7 percent in that period.

New Houses and Apartments

Electricity and gas were the most frequently used heating fuels in housing units completed in 1986. Electricity was the heating fuel for one–half and gas for about two–fifths of new housing. Electricity was the predominant fuel in the South, gas was the predominant fuel in the Northeast, Midwest, and West regions. Oil was the heating fuel for one–fifth of housing units built in the Northeast. In other regions, however, oil was the primary fuel for less than 2 percent of housing units completed in 1986.

House Heating Fuel, by Region: 1985
(Percent of year–round homes)



Energy, Amenities, and Land Use

Heating

Central heating systems were used in more than four-fifths of American housing units in 1985. Just 25 years earlier, in 1960, less than two-thirds of homes had central heat. Nine-tenths of privately owned one-family houses completed in 1986 were equipped with central heating.

Air Conditioning

About three-fifths of existing homes in the United States had air conditioning in 1985. One-third of the homes had central systems. Three-fourths of new homes and apartments built in 1986 had central air conditioning, reflecting the nationwide preference for this amenity. This was particularly evident in the South, where more than nine-tenths of the housing units built in 1986 had central air conditioning.

Cars, Trucks, and Vans

Most Americans have access to private vehicles for their transportation needs. In 1985, seven-eighths of households had one or more cars, trucks, and vans available at home for their use. Percentages of households with vehicles were different for owners and renters. More than nine-tenths of owners, but only three-fourths of renters had vehicles available. Owner households with vehicles differed only a few percentage points among regions. However, six-sevenths of renter households in the West had cars, trucks, and vans at home, but only three-fifths of renters in the Northeast had vehicles.

Related Amenities

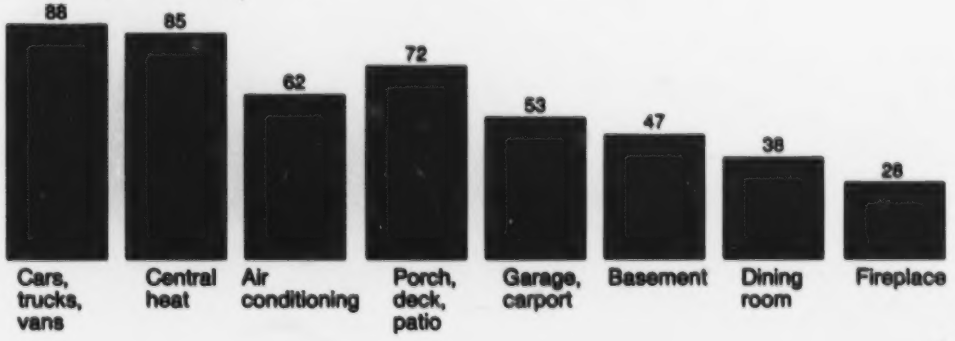
Almost half of the homes in one-unit structures, excluding mobile homes, had full or partial basements in 1985. Slightly more than one-fourth had crawl space and slightly less than one-fourth were built on a concrete slab.

Porches, decks, balconies, or patios were included in more than seven-tenths of the year-round homes. Also, more than one-half had a garage or carport, more than one-third had a separate dining room, and almost three-tenths had a usable fireplace.

Land Uses

Land uses within a radius of 300 feet of housing units were reported in 1985. One in twelve year-round homes had commercial, institutional, or industrial uses, and 1 in 12 had multiunit residential buildings of four stories or more, within 300 feet. More than 1 in 4 homes had open space, park, farm, or ranch nearby.

Energy and Amenities in Existing Housing Units : 1985
(Percent of year-round homes)



Part 2

Tenure and Mortgage Status

Ownership Overview

The ownership rate remained between 45 and 50 percent during the 40 years from 1890 to 1930 despite the flow of millions of immigrants into rental housing in the Nation's cities in the early 1900's. During the depression of the 1930's, the ownership rate dropped about 4 percentage points. Population and household growth rates also went down.

Governmental programs initiated in the 1930's and 1940's to encourage homeownership were effective. By 1950, more than half of U.S. householders were homeowners. Homeownership pushed above 60 percent by 1960 and by 1980, about 65 percent of households were owners.

Ownership in the 1980's

Nationwide, the ownership rate was lower in 1986 than in 1980. There was no higher ownership rate in any quarter from 1980 through 1986 than the 65.8 percent in the third quarter of 1980. The ownership rate dropped to 63.5 percent in the fourth quarter of 1985, however, and remained statistically unchanged in 1986.

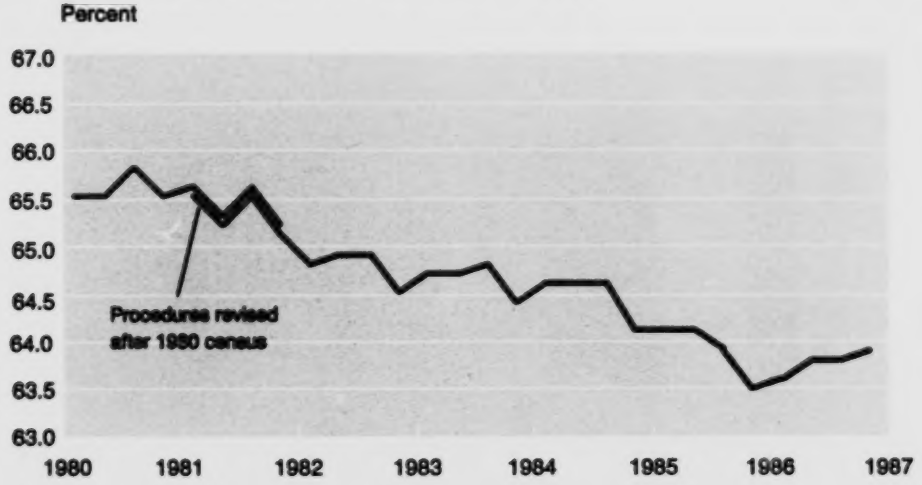
Mortgage Status

In 1900, only one-third of owners' homes had a mortgage. By 1980, almost two-thirds of specified owner-occupied homes were mortgaged. After the peak years of new home sales in 1977 and 1978, sales fell below the half-million level in 1981 and 1982. By 1985, only six-tenths of owner-occupied homes were mortgaged.

First Mortgage

Among 30.9 million mortgaged homes reporting in 1985, more than one-fourth (27 percent) had first mortgages insured or guaranteed by Federal Housing, Veterans, or Farmers Home Administrations; almost three-fourths (73 percent) had other types of financing. For payment plans, with 29 million homes reporting, almost nine-tenths (87 percent) of first mortgages were fixed payment, self amortizing. Only 8 percent were adjustable rate mortgages (ARM's); 5 percent were other forms, such as graduated payment, balloon, adjustable term, and others.

Quarterly Ownership Rates : 1980 - 1986



Householder Ages

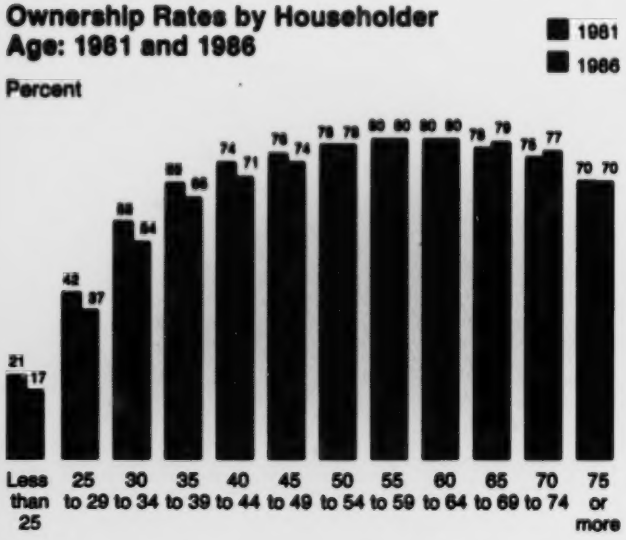
The downturn in ownership rates has been pronounced among young age groups. Householders below 50 years of age had lower ownership rates in 1986 than in 1981. Ownership for householders from 25 to 34 years dropped about 5 or 6 percentage points. The ownership rate for householders 50 or more did not drop from 1981 to 1986. Ownership was higher in 1986 than in 1981 for those 65 and over.

Regional Patterns

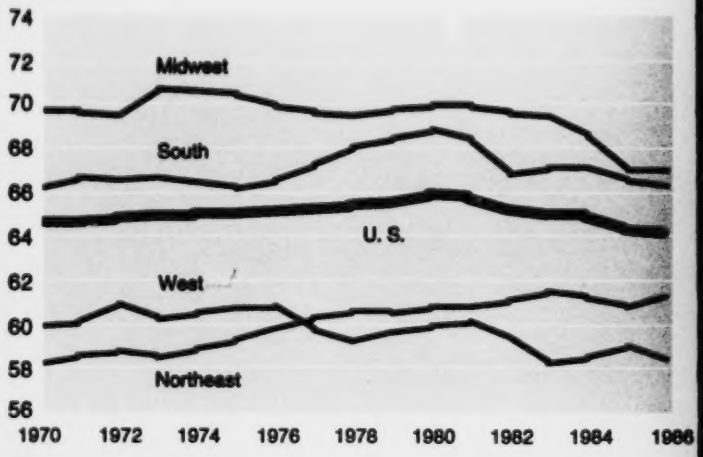
Throughout the 1970's and 1980's, ownership rates in the South and Midwest have been higher than the U.S. rate, and they have been lower in the West and Northeast. Both the West and Northeast have large numbers of renters in urban centers. In 1986, however, the Northeast was the only region where the ownership rate was higher than ownership rates had been in either 1970 or 1980. Several demographic factors are related to regional changes in ownership rates:

- Percent of persons 20 to 29 years old who had moved from a different State between 1980 and 1985 was lowest in the Northeast.
- No increase in number of married-couple renters, 20 to 44 years old, in Northeast, 1981–1985, but increases of 16 to 18 percent in other regions.
- Mobility rates (percent movers) for persons 20 to 29 years old were lowest in the Northeast every year, 1981 to 1985.
- In 1985, the percent of homeowners under 35 years old was lowest in the Northeast;
- In 1985, the percent of homeowners over 45 years old was highest in the Northeast.

Ownership Rates by Householder Age: 1981 and 1986



Regional Ownership Rates : 1970–1986



- In 1985, percentages of homeowner units acquired since 1980 and moved into since 1980 were lowest in the Northeast.

- In 1985, the percent of owners who lived in their present homes 25 years or more was highest in the Northeast.

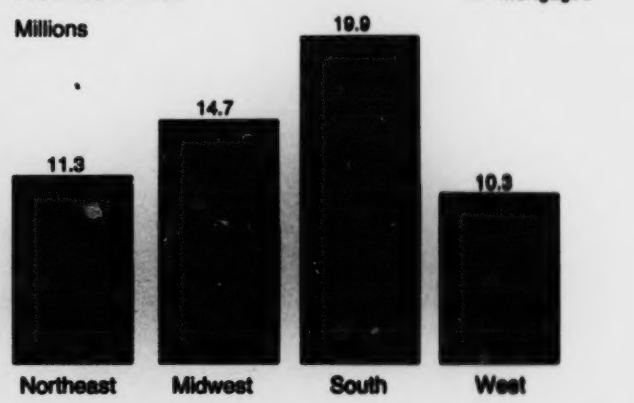
Decrease of Mortgaged Homes

From 1981 to 1935, the number of specified owner-occupied mortgaged homes decreased by 1 million; homes with paid-up mortgages increased by 2.6 million. This decline in mortgaged homes in the first half of the 1980's is unique in modern census history. Not since the Census Bureau first surveyed mortgage status in the census of 1890 had a decline in the number of mortgaged homes ever been recorded.

Regional Mortgage Status

The Nation's 56.2 million homeowner units included 32.2 million mortgaged and 24 million nonmortgaged homes in 1985. The West was the leading region, where 68 percent of owners' homes were mortgaged. Only 55 percent of homes in other regions were mortgaged.

Mortgaged and Nonmortgaged Homes : 1985



Mortgage Status:1985
(Millions of owner-occupied homes)

Status	United States	North-east	Mid-west	South	West
Total	56.2	11.4	14.7	19.9	10.3
Mortgaged	32.2	6.2	8.2	10.9	7.0
Nonmortgaged	24.0	5.2	6.5	9.0	3.3

Home Prices and Real Estate Taxes

1975–1985 Increases

In 1985, the $84,300 median sales price for new homes was 115 percent higher than the 1975 median, and the $66,300 median value of existing single-family homes was 125 percent higher than the 1975 median. Both outpaced the Consumer Price Index increase of about 100 percent. In constant dollars, however, the 1975–85 home price and value increases were only 9 and 14 percent, respectively.

The increase in median homeowner real estate taxes was only 55 percent. This reflected the impact of Proposition 13 in California and similar legislation in other States which limited amounts and growth rates of property taxes. Converted to constant dollars, the median real estate tax showed a decrease of 21 percent in the 10-year period.

Percent Change: 1975 to 1985

	Current dollars	Constant dollars
Medians		
New home sales price	115	9
Home value	125	14
Homeowner real estate tax	55	–21

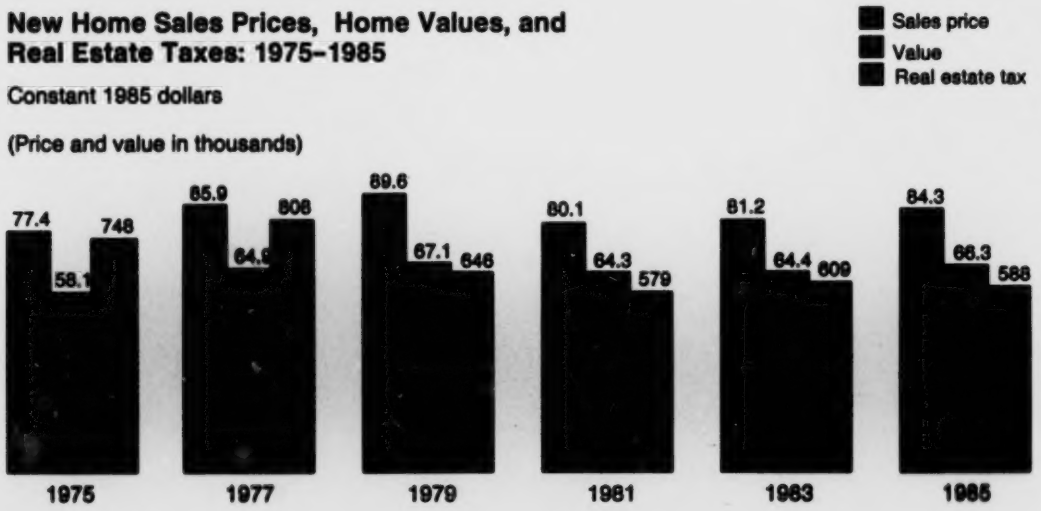
The median sales price of new homes is based on a survey of privately owned one-family houses sold. The sales price includes the price of the improved lot. Price changes reflect the changing proportion of houses of different sizes, locations, materials, and other factors, as well as changes in market conditions and building costs. In the period 1975 to 1985, the survey of new homes sold included less than 1 million annually.

The median value of existing homes is based on respondents' estimates of how much their house and lot would sell for if it were for sale. The statistics on value are shown only for owner-occupied one-unit structures on less than 10 acres and having no commercial establishment or medical or dental office on the property. Owner-occupied condominiums, cooperatives, and mobile homes are excluded from value tabulations. The number of owner- occupied homes included in value calculations was about 37 million in 1975 and 45 million in 1985.

New Home Sales Prices, Home Values, and Real Estate Taxes: 1975–1985

Constant 1985 dollars

(Price and value in thousands)



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Regional Prices, Values and Taxes

New Houses Sold

The median price of new one-family houses sold reached $100,000 in the Northeast and $90,000 in the West in 1985. Both regions had 1975–85 price increases of about 130 percent. New home prices climbed to $125,000 in the Northeast in 1986, still the only regional median above $100,000 in that year.

Home Values

The West led the Nation in overall home values in 1985, with a median of $94,000. Home values grew by 174 percent in the West from 1975 to 1985, far greater than the growth rates of other regions. Median values were about $80,000 in the Northeast, and about $60,000 or less in the Midwest and South.

Real Estate Tax

The median homeowner real estate tax in 1985 was about $1,200 in the Northeast, double the national median of almost $600. In the South, taxes were about half the U.S. median. The increase in the real estate tax from 1975 to 1985 was greatest in the South, however. The West, experiencing the greatest impact of legislation to reduce the amount and growth of real estate tax, had an increase of only about 20 percent.

Percent Increases in Home Prices, Values, and Real Estate Taxes: 1975 to 1985

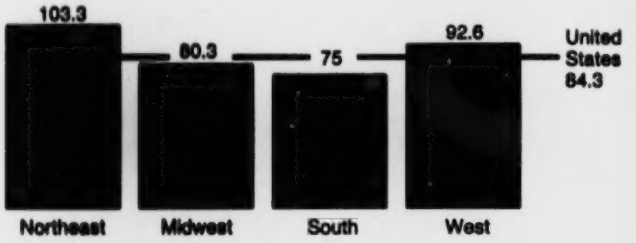
(Current dollars)

Medians

	U.S.	NE	W	S	W
New home prices	115	135	103	101	126
Home values	125	131	98	134	174
Real estate tax	55	74	73	90	19

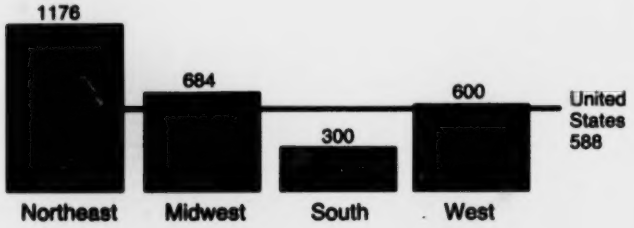
Median New Home Sales Prices : 1985

Thousands of dollars



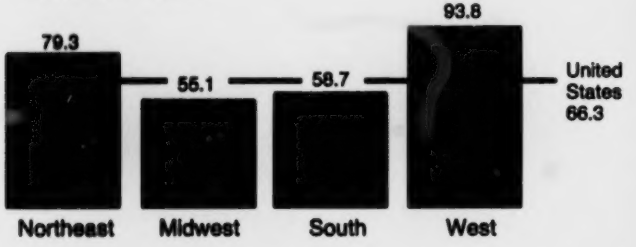
Median Real Estate Tax: 1985

Dollars



Median Home Values : 1985

Thousands of dollars



Homeowner Housing Costs

1975–1985 Increases

The median monthly cost for mortgaged homes was $566 in 1985, one and one–half times higher than 1975's $230 cost. Mortgage–free monthly home cost was $191, one and one–third times higher than in 1975. Both outpaced the 10–year increase in the Consumer Price Index. In constant 1985 dollars, median monthly costs increased from 1975 to 1985 by only 25 percent in mortgaged homes and by 19 percent in non–mortgaged homes.

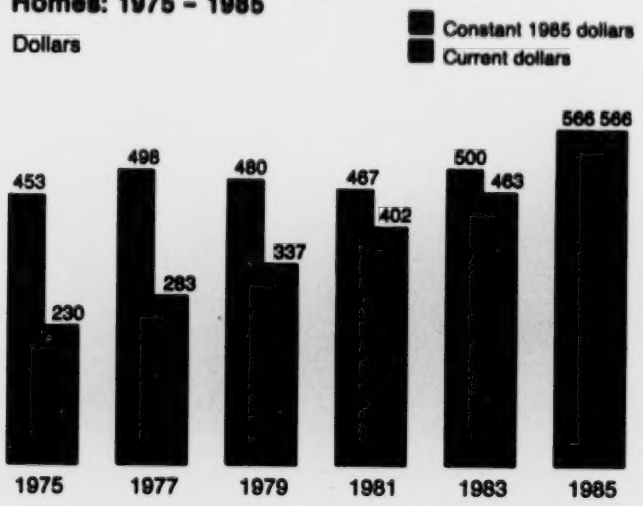
In the 1970 to 1980 period, increases in monthly housing costs for homeowners were about even with the inflation rate of the CPI.

Components of Costs

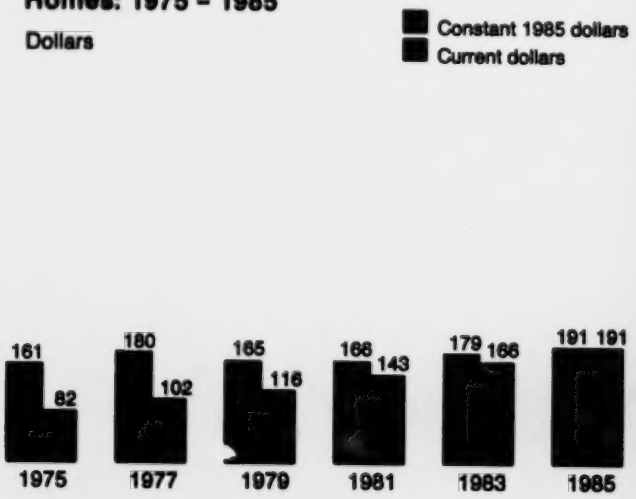
Monthly housing costs include mortgage payments, real estate taxes, property insurance, utilities, fuel, and garbage collection. Selected 1985 median costs for owners were: electricity, $64; fuel oil, $66; piped gas, $56; property insurance, $22; water, $17.

Rising home prices and interest rates in the 1980's affected costs for recently purchased mortgaged homes. Median monthly payments for principal and interest in 1985 were $509 for homes occupied within the past year, $308 for all mortgaged homes.

Median Monthly Costs in Mortgaged Homes: 1975 - 1985

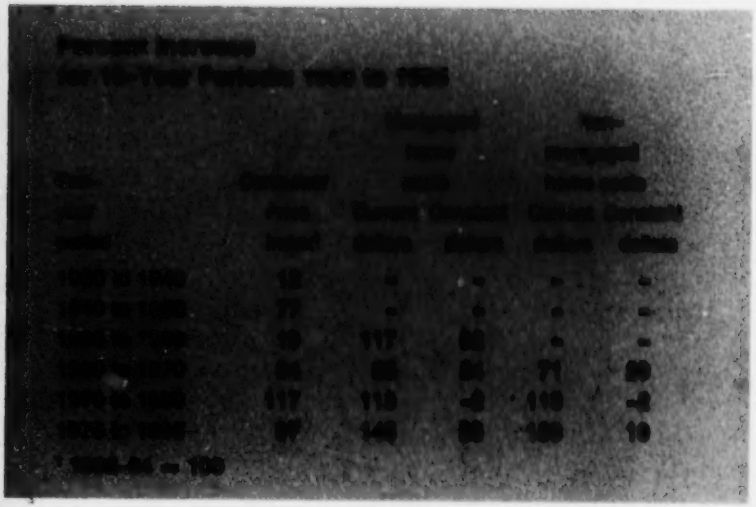


Median Monthly Costs in Nonmortgaged Homes: 1975 - 1985



Historical Perspective

Increases in the CPI, home values, and housing costs are shown here for each decade since the 1930's, and for 1975 to 1985.



Regional Homeowner Costs

Mortgaged Homes

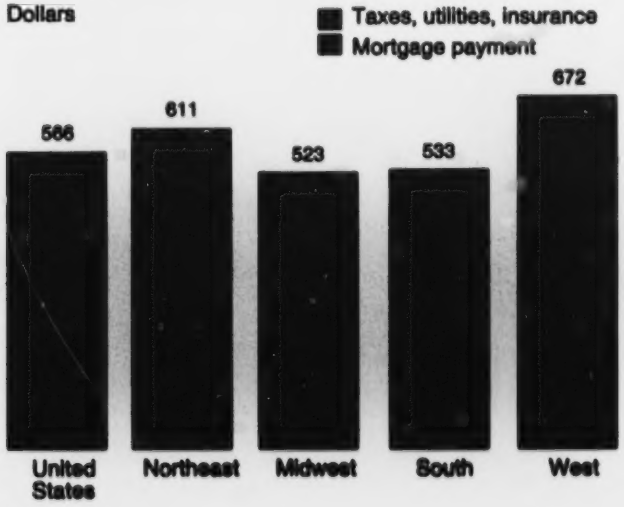
The West was the most expensive region for mortgaged homeowners in 1985, with a median monthly cost of $672. The Northeast's $611 was also above the national median. Costs for mortgaged homes in the South and Midwest were lower than the national median.

The median monthly mortgage payment was $444 for principal and interest in the West, 40 percent higher than the U.S. median. Mortgage payments in other regions were the same or less than the national median. The West's high mortgage payments reflected the highest regional home prices and more than one-third of owners having moved into their homes since 1980, at 1980's interest rates.

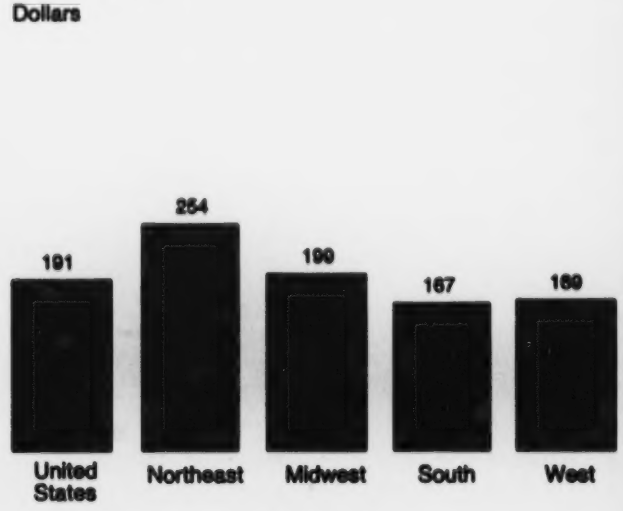
Nonmortgaged Homes

Nonmortgaged home costs showed a different regional pattern. The median monthly cost of $254 in the Northeast was the regional high. There, owners' real estate taxes were twice the national median. Also, the median monthly cost of $82 for fuel oil, the dominant heating fuel, was the highest monthly price tag for heating fuels in any region. Costs in mortgage-free homes in the Midwest were also higher than the U.S. median. Costs in the South and West were lower than the national median. Real estate taxes were $7 per $1,000 value in the South and West, $14 in the Midwest, and $16 in the Northeast. Also, the fuel used for heating 6 of 10 of the West's homes, piped gas, cost only $39 monthly, 30 percent below the U.S. median.

Monthly Costs in Mortgaged Homes : 1985



Monthly Costs in Nonmortgaged Homes : 1985



Rental Costs

1975–1985 Increase

The $365 median gross rent in 1985 was about one and one–third times higher than the $156 rental cost in 1975. The increase in rent was about the same as the increase in homeowner costs in nonmortgaged homes from 1975 to 1985. Adjusting for the 97–percent increase in the Consumer Price Index from 1975 to 1985, the increase in gross rent was 19 percent, in constant dollars.

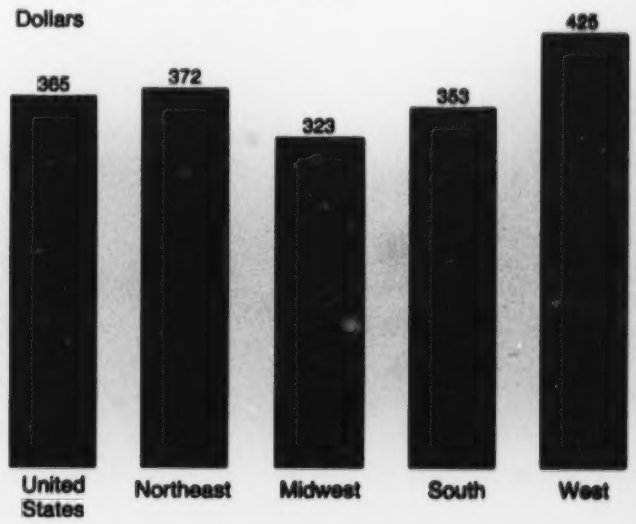
Gross rent is a computed cost, based on contract rent plus estimated monthly cost of utilities and fuels, if these items are paid in addition to rent. Gross rent is intended to eliminate differences resulting from varying methods of rent payments.

Regional Rental Costs

Gross rent was highest in the West, as was mortgaged housing cost, reflecting the high housing values in that region. The Northeast had the second highest regional cost. In the Midwest and South, rents were below the U.S. median.

Median Gross Rent: 1975 – 1985

Median Gross Rent : 1985



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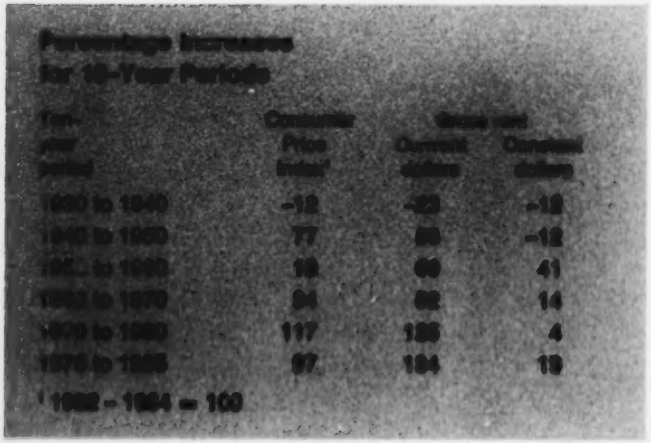
Historical Perspective

Increases in the CPI are shown here with gross rent increases for each decade since the 1930's. Rising rental costs outpaced CPI increases in the 1950's, 1960's, 1970's, and the 1975 to 1985 period. In constant dollars, the decade of highest rent increase was the 1950's.



Housing and the Economy

Housing Starts

The 1.8 million privately owned housing starts in 1986 were the highest yearly total since 1978. Annual starts were about 2 million in 1977 and 1978 and dropped to a little more than 1 million in 1981 and 1982. Housing starts responded to economic expansion that began in December 1982 and rose above 1.5 million each year from 1983 to 1986.

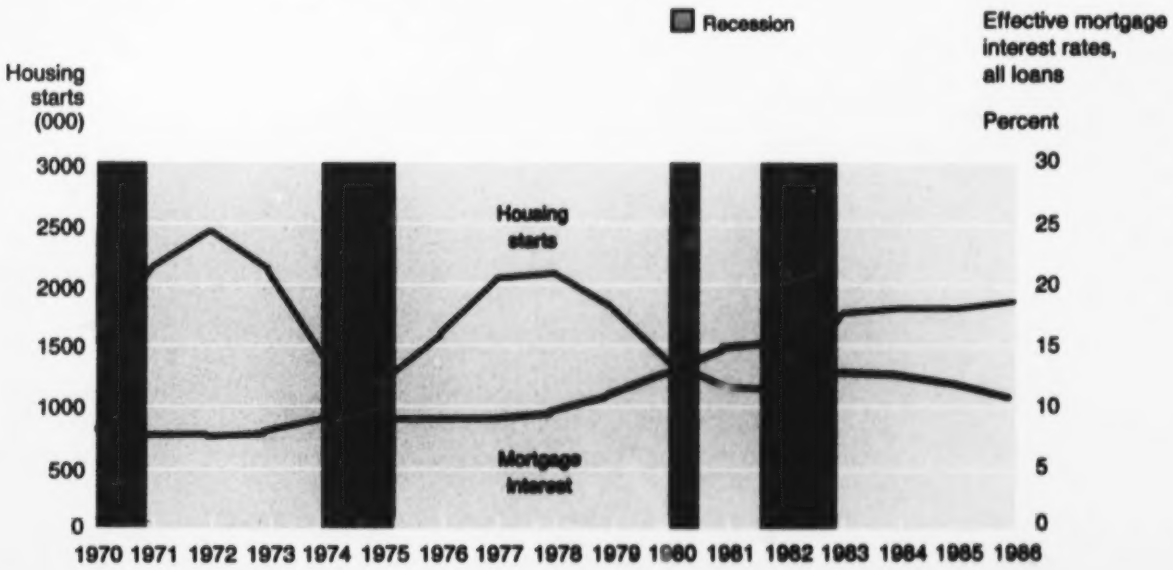
Type of Financing

More than one-half of new houses in 1986 were financed by conventional home mortgages, one-fifth by FHA-insured loans. These two methods were used to finance about three-fourths of new houses completed from 1970 to 1986, and cash payment was used for about one-sixth. VA-guaranteed loans have ranged from 6 to 10 percent of home financing yearly since 1970.

Mortgage Interest

The Federal Home Loan Bank Board's effective interest rates for conventional mortgages for purchase of newly built homes illustrates the relevance of mortgage interest rates and housing starts. The effective mortgage interest rate rose above 10 percent in 1979 and topped 15 percent during several months in 1982. The rate then declined and stood at about 9.7 percent in December 1986. Wide swings in mortgage interest rates have greatly influenced the pace of housing construction in the 1980's.

Housing Starts and Mortgage Interest Rates : 1970 - 1986



Economic Indicators

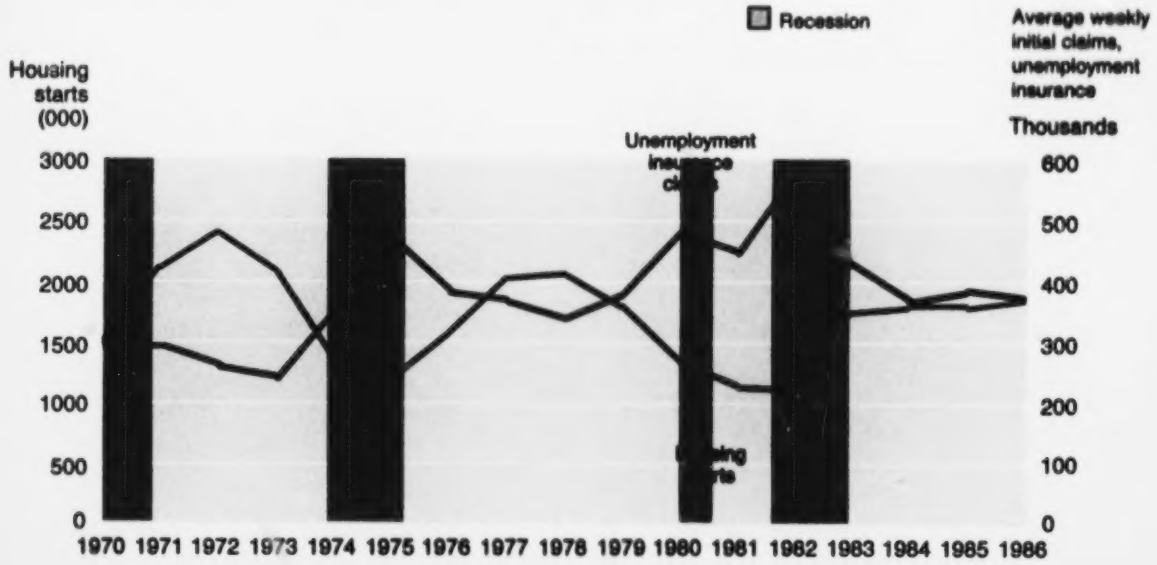
The trend line in housing starts roughly coincides with the composite index of leading economic indicators in recent years. The index, published by the Bureau of Economic Analysis, includes such components as new orders for manufacturers, contracts for plant and equipment, inventories on hand, stock prices, and money supply. Housing construction is represented in the leading index by building permits for new private housing units, which is roughly coincident with cyclical variations in housing starts. Variations are due to lag time between permits and starts, and because some permits never become housing starts.

Unemployment Insurance

Another component of the BEA index of leading indicators, average weekly initial claims for unemployment insurance in State programs, is also relevant to cyclical variations in housing starts.

Comparison:	1986	vs. 1982
Housing starts	1.8 mill.	1.1 mill.
Effective mortgage interest	10.26%	15.14%
Unemployment Insurance claims	370,000	578,000

Housing Starts and Unemployment Insurance Claims: 1970 - 1986



New Housing

1986 Additions

Two million new housing units were added in 1986. These included 1 3/4 million new privately owned housing units completed and 1/4 million mobile homes placed for residential use. During the 6 years from 1981 to 1986, 10.3 million new housing units were added. These included completion of 8.8 million new privately owned units and 1.6 million mobile home placements. The South and West dominated housing additions in 1986 as they have throughout the 1970's and 1980's.

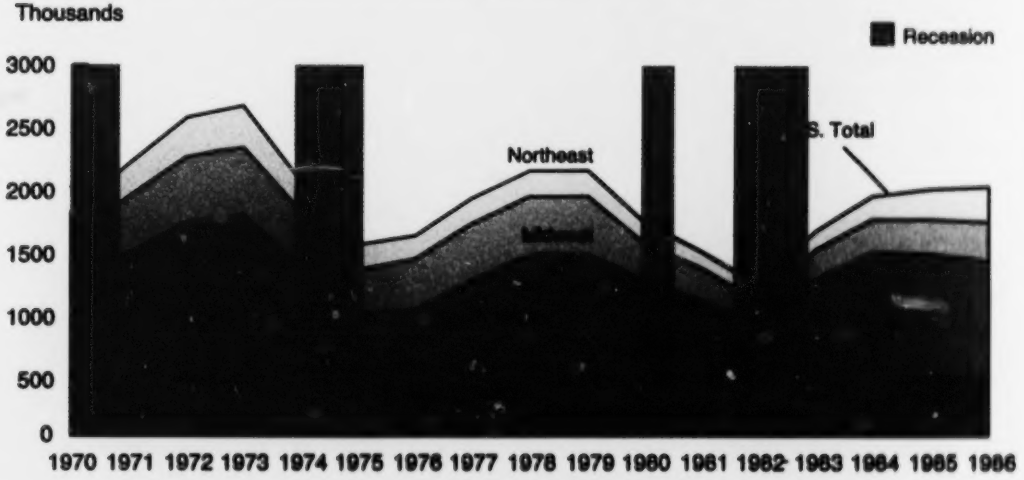
1980's vs. 1970's

Annual averages for new housing additions in the 1980's have fallen below 1970 levels. From 1971 to 1980, new housing additions averaged 2.1 million annually, and from 1981 to 1986, 1.7 million annually.

Housing additions also occur from changes in existing buildings. These include net gains in housing units from conversion of nonresidential to residential use; change from group quarters to separate housing units; and units resulting from rehabilitation of units previously vacant or scheduled for demolition. In the 1970's, the latest period for available data, less than 10 percent of housing additions were from these sources.

NEW HOUSING ADDITIONS

Housing Units Completed and Mobile Home Placements: 1970 – 1986



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Building Permits

Almost 1.8 million housing units were authorized by building permits in 1986. About 7 of 10 were in the South and West regions.

Throughout the Nation, there are some 17,000 places — municipalities, townships, counties — that issue building permits. Reports from these places cover about 95 percent of housing unit construction. Mobile homes are not included in building permit data.

Housing Units Authorized by Building Permits

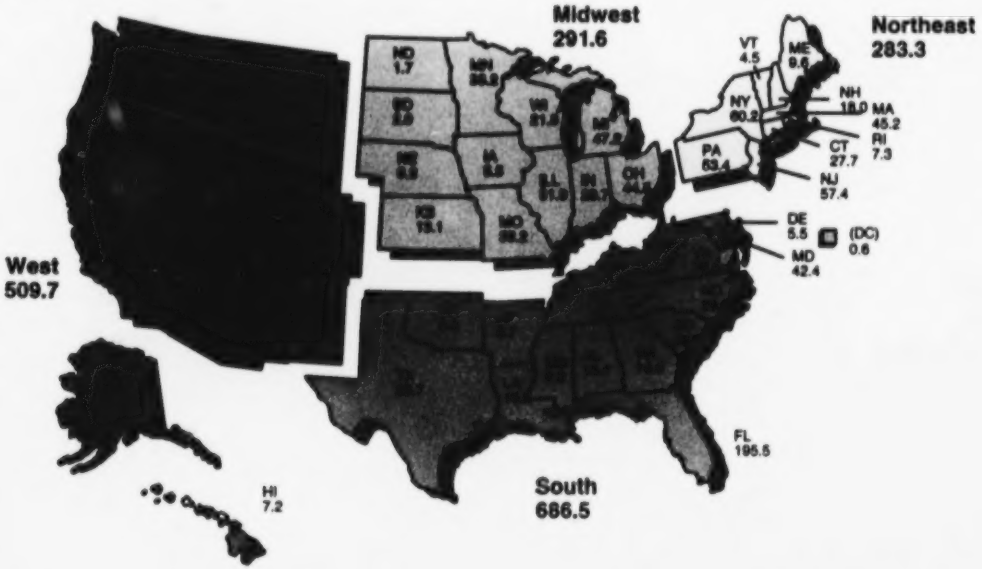
(Excluding mobile homes)

Top 10 States: 1986

State	Thousands
California	314.6
Florida	195.5
Texas	96.7
Georgia	76.9
Virginia	73.5
North Carolina	63.0
Arizona	61.6
New York	60.2
New Jersey	57.4
Pennsylvania	53.4

New Housing Units Authorized in Permit-Issuing Places: 1986

Thousands



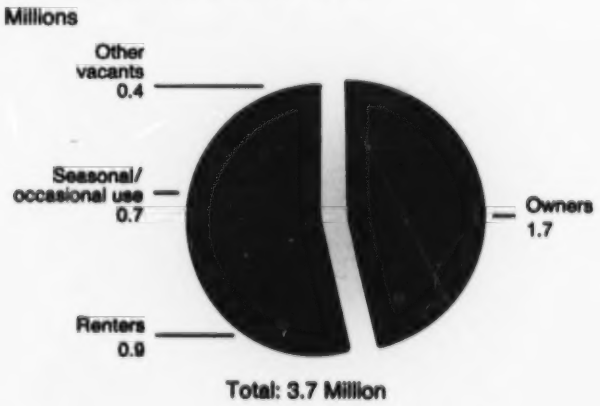
Condominiums and Cooperatives

Condominiums

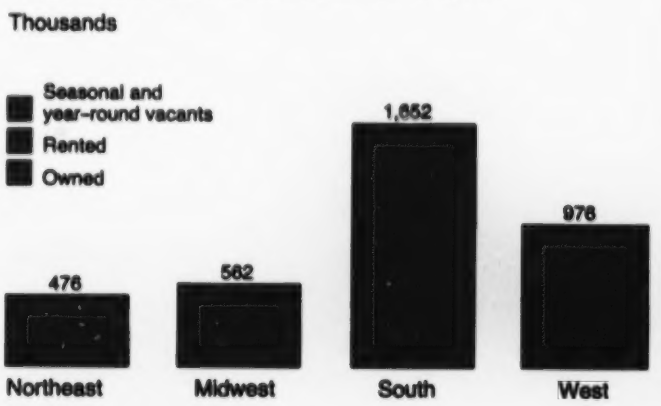
There were 3.7 million condominium housing units in 1985. Almost one-half (45 percent) were in the South, one-fourth were in the West. One million condos were built from 1980 to 1985, one-half in the South. A condominium is a type of ownership of an apartment or house in a development of similarly owned units. The owner has a deed, possibly a mortgage, and holds common or joint ownership in some or all common areas and facilities such as land, roof, entrances, elevators, etc.

Seven of ten condos were occupied by households as their primary residence in 1985. Two-thirds of these, 1.7 million, were occupied by homeowners. This was an increase of 240 percent over the 500,000 owner-occupied condos in 1975. Three of ten condominium units were classified as vacant. These included 700,000 used seasonally or occasionally during the year. The South contained 500,000, three-fourths of such usage nationwide.

Use of Condominiums : 1985



Regional Use of Condominiums: 1985



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Condominium Characteristics

One-half of owner-occupied condos were in structures of five units or more, 1 in 5 in buildings with four floors or more, and one-fourth were built in the 1980's. About 7 of 10 condo homeowner units were mortgaged. Median incomes of condo owners and renters were higher than incomes of owners and renters in conventional units. Median housing costs were also higher for condo owners and renters than for owners and renters in conventional housing units.

Cooperatives

There were 570,000 cooperative housing units in 1985. In these, each owner is a shareholder in the corporation which owns the property. Four-fifths were occupied as a primary residence by owners and renters. Regionally, two-thirds of occupied co-ops were in the Northeast. With respect to urban, suburban, and non-metropolitan areas, two-thirds of occupied co-ops were located in the Nation's cities. Only 3 percent of co-ops were built in the 1980's.

Nationwide, about 340,000 co-ops were owner-occupied in 1985. A large number were located in New York City, where a 1987 Census Bureau survey identified about 220,000 owner-occupied co-ops.

Apartment Market

Multi-unit Completions

In 1986, 550,000 apartments and condominiums were completed in buildings with five units or more. Annual completions had not been higher since 1974. During the 1981 to 1986 period, 2.6 million housing units were completed in multiunit buildings. A majority of these, 1.5 million, were unfurnished apartments.

In 1981 and 1982, about 250,000 unfurnished apartments were completed. No other two years in the 1970's and 1980's has produced any lower completions. The highest for any 2-year period was the 1 million completions in 1972 and 1973.

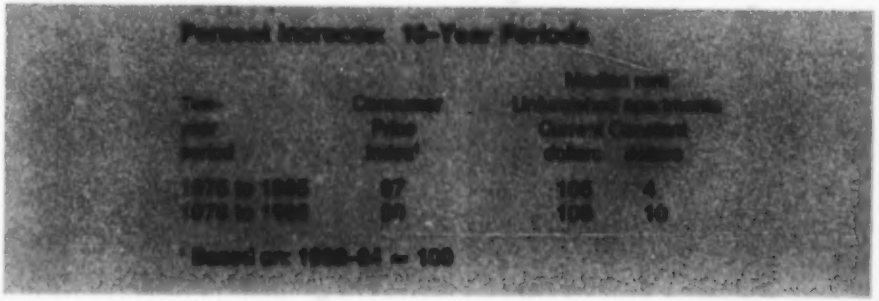
One-half of unfurnished apartments completed from 1981 to 1986 were in the South. About three-tenths were in the West and one-sixth in the Midwest. Only 3 percent were in the Northeast.

Rent

The median rent for unfurnished apartments completed was $432 in 1985 and $456 in 1986, in current dollars. Median rent levelled off at about $385 in 1982 and 1983, which was about the same, in constant dollars, as the 1975 median rent of $211. Median rents, in constant dollars, were $219 in 1985 and $229 in 1986. Median rents in 1985 and 1986, in both constant and current dollars, were not different, statistically.

Market Absorption

Two-thirds of unfurnished apartments completed in 1986 were rented within the first 3 months of completion. From 1981 to 1986, the 3-month market absorption rates for new apartments dropped 14 points, from 80 to 66 percent. The 3-month market absorption rates averaged 66 percent for 1984, 1985, and 1986.



Housing Units Completed in Buildings with 5 Units or More : 1970 - 1986

53

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Mobile Homes

Location

Nationwide, there were 6.1 million mobile homes in 1985. More than half were in the South, one-fifth in the West. The remaining one-fourth plus were in the Midwest (about 18 percent) and Northeast (9 percent). Slightly less than half were located outside metropolitan areas. Almost one-half (47 percent) were in the suburbs and only 8 percent in cities, where zoning, building codes, and land costs restrict their use. About half of mobile homes were built in the past 10 years. Virtually all mobile homes, 98 percent, were reported to be built and heated for year-round use.

Occupancy

Four-fifths of mobile homes were owner-occupied, compared to less than two-thirds of other homes. Unlike most home owners, only about one-third of mobile home owners owned their home sites, two-thirds owned their homes on rented sites. One-half of mobile homes had open space within 300 feet. Only 2 percent of mobile homes had commercial land use nearby.

Six-tenths of mobile home occupants were married couples, one-fourth lived alone. Mobile homes were an affordable option for many young married couples; one-third of married-couple owners under 25 years of age owned mobile homes.

Costs

Mobile home occupants had a median household income of $15,900, lower than the $22,600 for all households.

Median monthly housing costs for owners and renters were $263 for mobile homes, $357 for all homes. The percentage of income spent by mobile home households and all households for housing costs was the same, 21 percent. Thus, many with below average incomes were able to afford mobile homes at cost burdens comparable to other householders' costs.

Annual Placements

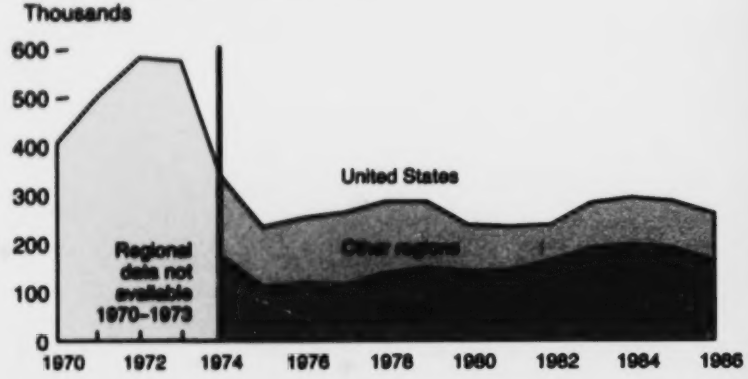
A quarter of a million mobile homes were placed for residential use in 1986, bringing the total to 1.6 million for the 1981 to 1986 period. One million of the 1981 to 1986 placements were in the South. North Carolina, South Carolina, Georgia, Florida, and Texas contained four-tenths of residential placements in 1985/1986.

Mobile Homes: 1985

6.2 Million

Mobile Homes Placed for Residential Use: 1974–1986

(Mobile home shipments, 1970–1973)



Vacant Housing

Growth of Vacant Housing

With 11.5 million vacant housing units in 1985, we had more vacant units in the United States than the total housing stock in countries like Canada or Argentina. Since 1940, when 2.5 million vacant units were identified in the first housing census, vacant housing has increased by 366 percent, while total housing units have increased by 168 percent.

Components of Vacant Housing

A little more than 3 of 10 vacant units, 3.6 million, were for sale or rent in 1985 as a primary residence. This marked a shift in vacant housing since 1940, when a little more than 6 of 10 vacant units were for sale or rent.

Another 0.9 million units were sold or rented, but not yet occupied, and 1.6 million were vacant for other reasons. In addition, 5.4 million units were in seasonal, recreational, or occasional use. These included 2.2 million held for occasional use or temporarily occupied by persons with usual residence elsewhere and 3.2 million used seasonally.

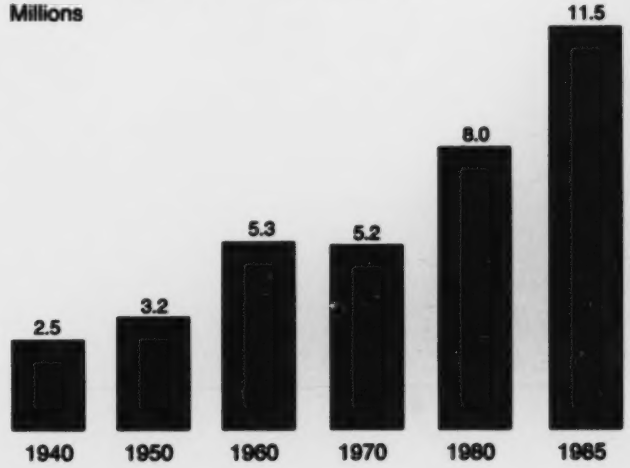
The enumeration excludes vacant units in structures which do not protect the interior from the elements, are severely damaged by fire, or are condemned or to be demolished.

Vacant Housing Units : 1985

11.5 Million

Vacant Housing Units : 1940–1985

Millions



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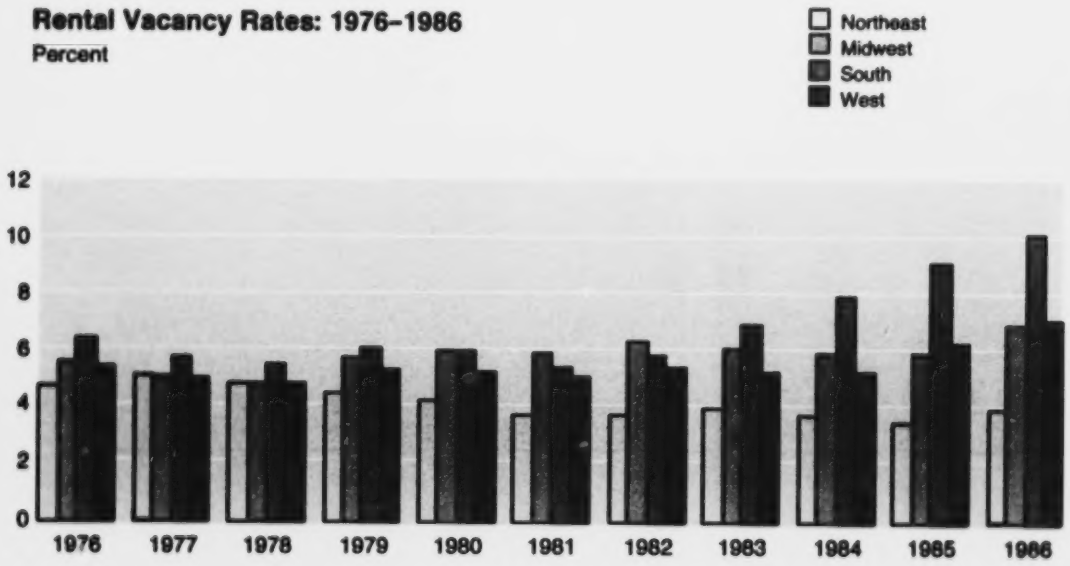
Vacancy Rates

The national rental vacancy rate of 7.3 percent in 1986 was the highest of any year in the 1970's and 1980's. Regionally, rates had not been higher in any previous year in the 1970's and 1980's in the Midwest, South, and West. The homeowner vacancy rate was 1.8 percent in 1986 and ranged from 1.4 to 1.7 percent from 1981 to 1985.

The South's 10.1 percent rental vacancy rate was the highest regional rate in 1986. That region alone held approximately 45 percent of the Nation's vacant rental units in every quarter of 1986. Also, the South was the only region with a higher homeowner vacancy rate in 1986 than in 1981.

Rental Vacancy Rates: 1976–1986

Percent



Upkeep and Improvement

Expenditure Trends

Property owners spent $91 billion for upkeep and improvement of residential properties in 1986, 14 percent over 1985's $80 billion, and more than triple the $25 billion spent in 1975, in current dollars. Annual outlays showed an upward trend from 1975 to 1980, then showed no growth in recession years 1981 and 1982. Property owners then doubled their expenditures from 1982 to 1986, surpassing growth rates of any previous 5-year period since the survey began in 1962. Total spending per unit leaped to $850 in 1985; spending by owner-occupants of one-unit homes was almost $1,000 per unit. Both per-unit expenditure categories were two and a half times their 1975 levels.

Regions

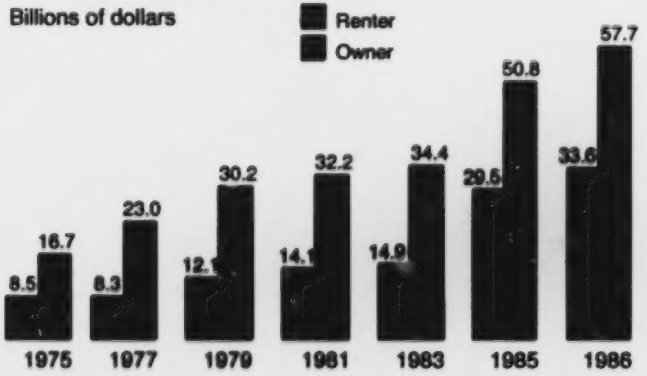
About one-third of expenditures on all residential properties were in the South in 1986. The Midwest and West each contributed about one-fifth of total spending. The remaining 28 percent was in the Northeast.

Percent Increase: 10-Year Periods

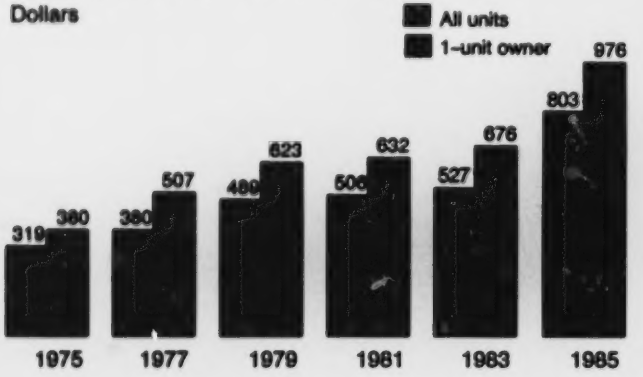
Period	Consumer price index[1]	Total	Owner	Rental
		(Percent change)		
1975 to 1985	87	210	224	248
1976 to 1986	95	214	195	251
		(Percent change)		
1975 to 1985	87	91	94	76
1976 to 1986	95	96	87	101

[1] Based on: 1982-84 = 100

Expenditures for Residential Upkeep and Improvement : 1975 - 1986



Expenditures Per Unit for Residential Upkeep and Improvement: 1975 - 1985



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Part 3

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Households and Use of Housing

Housing and Population

The housing inventory increased by more than 26 percent from 1975 to 1985, from 79.1 to 99.9 million units. The population increase was only 11 percent during the same period.

Housing Growth

While households increased by 15.9 million from 1975 to 1985, the number of housing units increased by 20.8 million. Housing growth was stimulated by a decline in household size and an increase in housing units used on a seasonal or temporary basis. Housing units classified as "vacant," and used seasonally, held for occasional use, or temporarily occupied by persons with usual residence elsewhere, increased from 2.6 to 5.4 million from 1975 to 1985.

Population and Housing Growth: 1975 to 1985

	Million			
	1975	1985	Change	Percent change
Resident population	215.0	236.7	22.2	10.8
Households	72.5	88.4	15.9	21.9
Population per household	2.94	2.69	-0.25	-8.5
Housing Units	79.1	99.9	20.8	26.3

Average persons per household declined from 2.94 in 1975 to 2.69 in 1985. Factors related to the decline in household size were the high divorce rate, late marriages, age structure shifts toward more adults, and increasing numbers of persons living alone.

Household Growth

Average annual growth in the number of households was lower in the 1980's than in the 1970's, down from 1.6 to 1.3 million per year. Average increases in owner and renter households also shifted. Owner household increases outpaced renter household increases every year from 1971 to 1980, then lost ground to renter increases in 1982 and 1985.

Population and Housing Growth : 1975–1985

Household Changes

From 1975 to 1985, the number of homeowners increased from 46.9 to 56.2 million, or 20 percent, and renters increased by 26 percent, from 25.7 to 32.3 million. The increase in male and female householders outpaced the increase in married–couple householders. In 1985, married couples comprised 69 percent of owners and 34 percent of renters. The growth in married–couple owners during the 1975–1985 period was only 10 percent. After increasing from 35.4 million in 1975 to 39.1 million in 1981, married–couple owners showed no growth from 1981 to 1985. Married–couple renters decreased by 4 percent from 1975 to 1985.

Owner and Renter Households: 1975 to 1985

Owners

Households	Millions 1975	Millions 1985	Change	Percent change
Total	46.9	56.2	9.3	19.8
1 Person	6.1	9.7	3.6	58.5
Others 1/	5.3	7.6	2.2	41.8
Married Couples	35.4	38.9	3.5	9.9

Renters

Households	Millions 1975	Millions 1985	Change	Percent change
Total	25.7	32.3	6.6	25.8
1 Person	8.3	11.3	3.1	37.0
Others 1/	5.9	9.9	4.0	68.5
Married Couples	11.5	11.1	- 0.5	- 4.0

1/ Other 2–or–more person households, excluding married couples

Annual Net Increases in Owner and Renter Households: 1970 - 1986

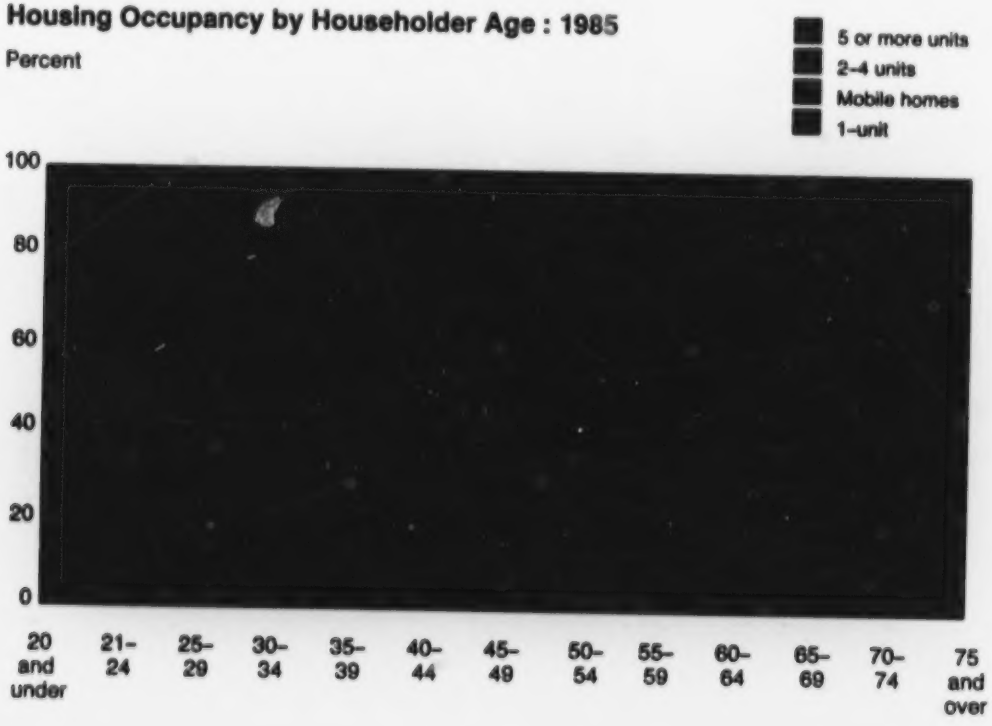
Housing Occupancy

Housing and Age Groups

Most householders under 25 years of age lived in multiunit housing in 1985. These included more than one-third living in buildings with five or more units, and one-fourth in buildings with two to four units. Housing choices shifted with the 25 to 29 age group, with about one-half living in one-unit homes and one-fourth in five-or-more-unit structures. Beginning with the 30 to 34 age group, and for all older age groups, six-tenths or more of householders lived in one-unit homes.

Housing Occupancy by Householder Age : 1985

Percent

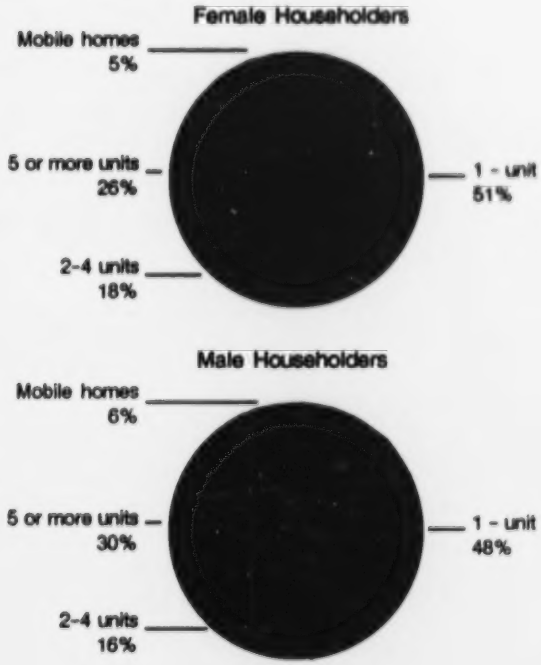


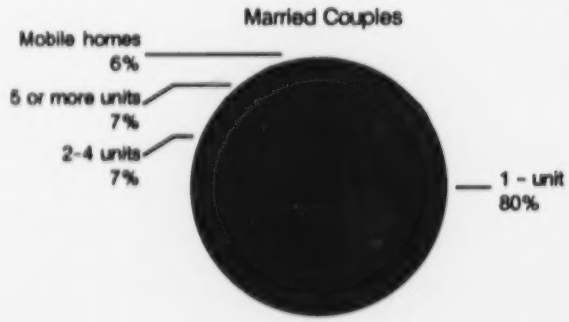
Housing and Households

Four-fifths of the Nation's 50 million married-couple households occupied one-unit homes in 1985; one-seventh lived in multiunit buildings, and one-twentieth in mobile homes. About one-half of the 24.7 million female householders lived in one-unit homes.

Among the 11.6 million female owners, about four-fifths lived in one-unit homes. Many females have ownership of these homes as a result of separation, divorce, or death of a spouse. Slightly less than one-half of the 13.8 million male householders also lived in one-unit homes, and three-tenths lived in housing units in structures with five or more units.

Type of Housing Used by Major Householder Groups : 1985





Householder Ages and Tenure

Households and Tenure

The 50 million married-couple households in 1985 included 39 million homeowners, an ownership rate of 78 percent. The 25 million female householders with no husband present had an ownership rate of 47 percent. Male householders with no wife present numbered 14 million, about 16 percent of all households, with an ownership rate of 41 percent.

Owners and Renters

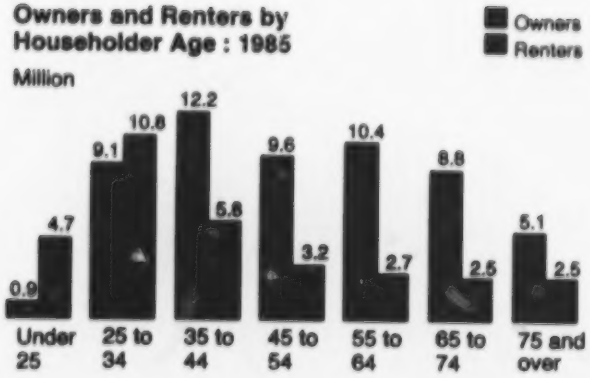
The profile of owners and renters by age reflects the passage of adults through various stages of their lives. A majority of adults begin their householder life cycles as renters, become married, then take on ownership and mortgage payments. In 1985, most householders under 35 were renters; most householders 35 and older were owners. In terms of 5-year age groups, however, ownership dominance began with the 30 to 34 age group.

Tenure and Mortgage Status

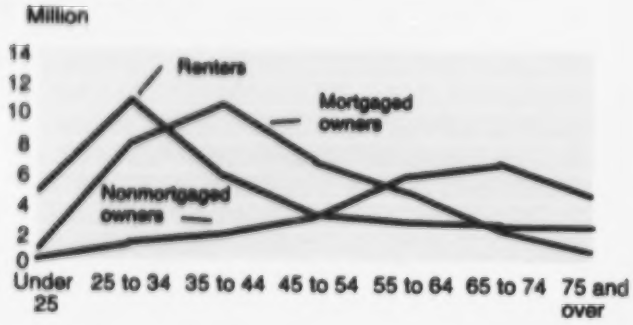
The number of renters exceeded 10 million in the 25 to 34 age group in 1985. Their numbers declined to about 3 million for the 45 to 54 group, and remained below that level in 55 and older age groups. Owners of mortgaged homes exceeded 10 million in the 35 to 44 age group, then became less with each successively older age group. As mortgages are retired, the number of owners of mortgaged homes declines among older age groups, and ownership of nonmortgaged homes increases. Owners in homes with no mortgage increased in each age group, from the youngest to 65 to 74, then dropped with the oldest age group. They numbered 6 million in age group 55 to 64, and 7 million in ages 65 to 74.

Major Householder Groups : 1985

Owners and Renters by Householder Age : 1985



Tenure and Mortgage Status by Householder Age : 1985



Mortgaged Homes

Married couples were dominant in every age group, except 75 and over, among homeowners in mortgaged homes. The number of married couples increased sharply with the 25 to 34 age group, and reached the greatest number with the 35 to 44 age group. The 35 to 44 group also had the largest number of all other householders in mortgaged homes.

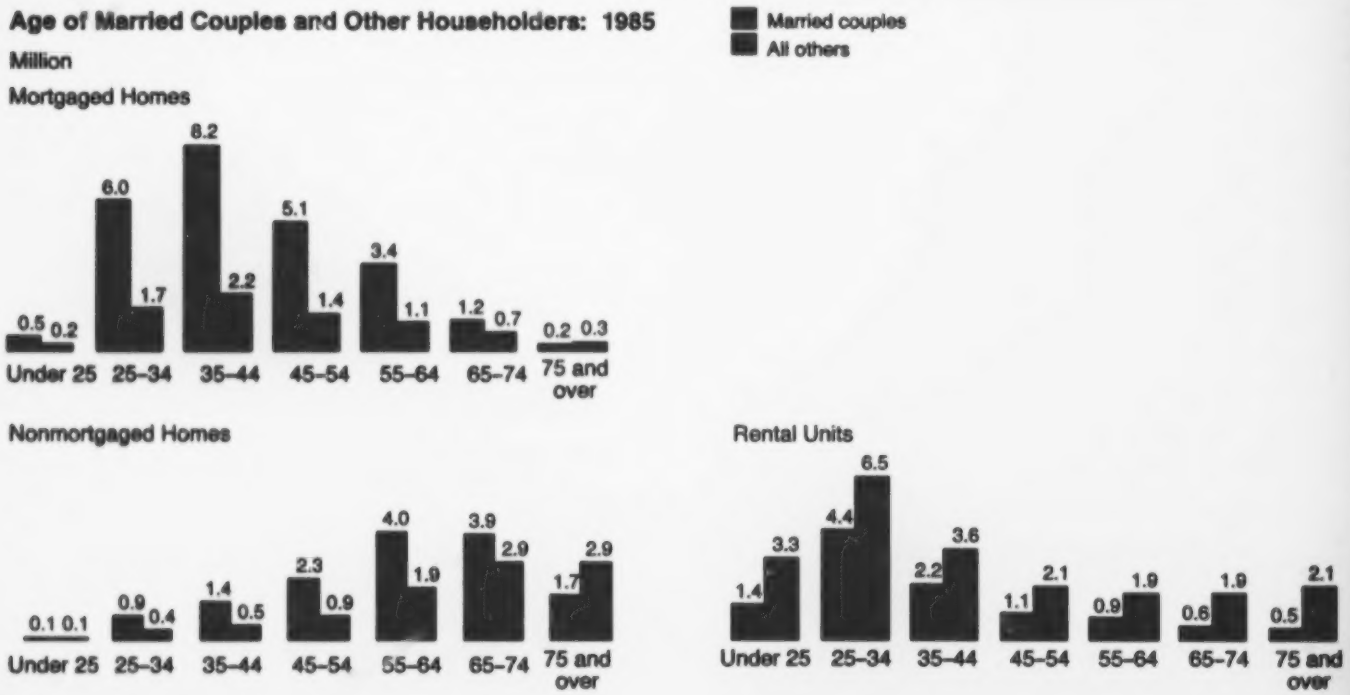
Nonmortgaged Homes

Owners of homes with no mortgage were also dominated by married couples in every age group from under 25 to 65 to 74. Females living alone were a major contributor to the numbers of older owners in homes with no mortgage. Most of these have come into passive ownership through the death of their spouses.

Rental Units

Among renters, householders other than married couples were dominant in every age group in 1985. Both married couples and all other householders peaked in number with the 25 to 34 age group. Numbers of married couples then declined through successively older age groups, while the number of all other householders levelled off within a range of about 1.8 to 2.1 million for age groups from 45 to 54 to 75 and over.

Age of Married Couples and Other Householders: 1985



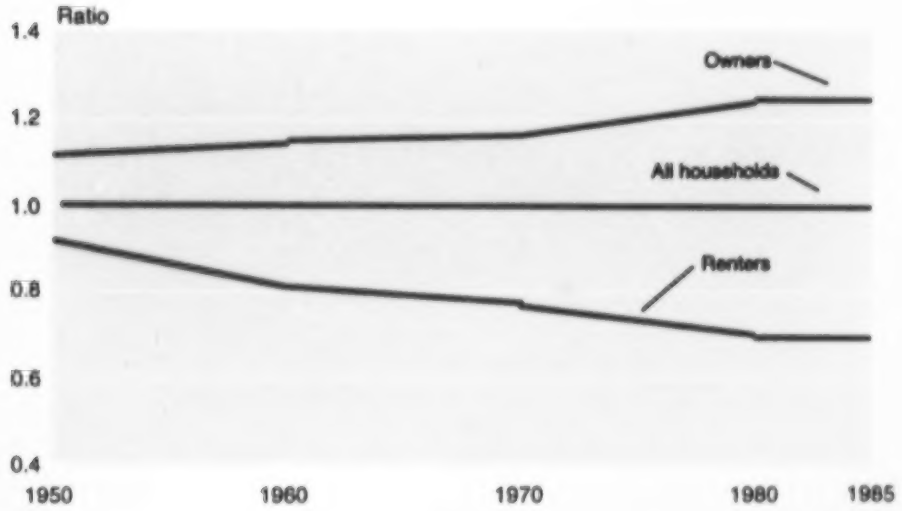
Income

Owners vs. Renters

The median income of all households in 1985 was $22,600. Owners' median household income was $27,600, 23 percent higher. The median household income of renters, $15,500, was 68 percent of the median for all households. These ratios were not changed from 1980.

The gap between owner and renter incomes was greater in 1980 and 1985 than it had been in 1950, 1960, and 1970. Demographic changes in owner and renter households since 1950 partially account for the increasing income gap. In 1950, seven-tenths of renters and three-fourths of owners were married couples. In 1985, while about seven-tenths of homeowners still were married couples, only about one- third of renters were married couples. Persons living alone were more than one-third of 1985's renters; they had been only one-eighth of renters in 1950. Also, while working wives bolstered incomes of homeowning couples in the 1980's, many who became divorced, separated, or widowed swelled the ranks of lower income renters.

Median Income Ratios Of Owners And Renters To All Households : 1950–1985



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Mortgaged Owners[1]

Median income of mortgaged homeowners (families and primary individuals) was $35,900 in 1985. Median incomes were highest for married couples in the 45 to 54 age groups. Median incomes of married couples were higher than incomes of male and female owners in all age groups.

Nonmortgaged Owners[1]

The median income of all owners in nonmortgaged homes (families and primary individuals) was $19,300, substantially lower than the median for mortgaged homeowners. Median incomes of married couples were higher than incomes of male and female owners in nonmortgaged homes in age groups 25 to 64.

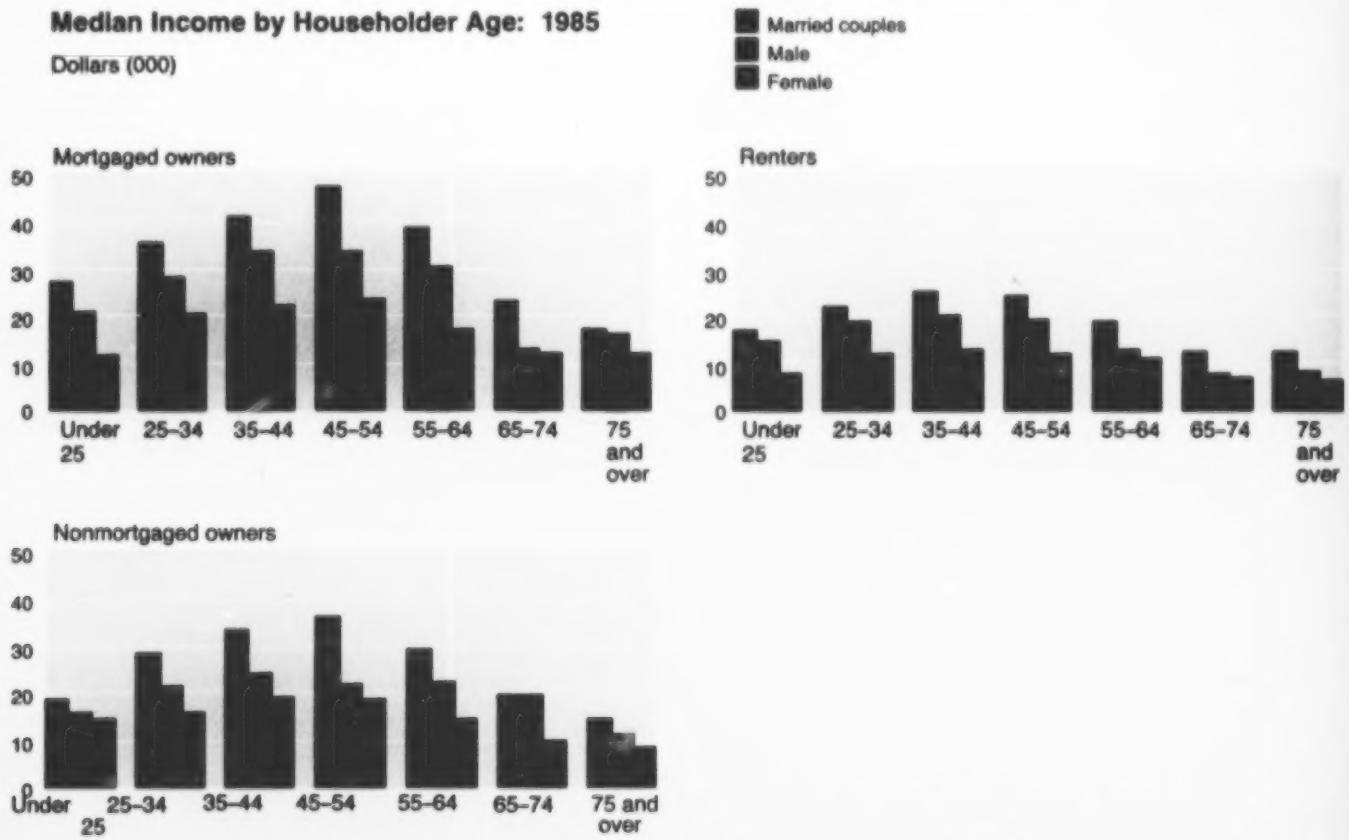
Renters[1]

The median income of renters (families and primary individuals) was $14,500 in 1985, lower than median incomes of owners in mortgaged and nonmortgaged homes. Married-couple renters had higher median incomes than incomes for male and female renters in all age groups.

[1] Specified owner- and renter-occupied units.

Median Income by Householder Age: 1985

Dollars (000)



Housing Costs

Mortgaged Homes

The median monthly cost for owners of mortgaged homes was $566 in 1985. Housing costs include mortgage payments, real estate taxes, property insurance, utilities, fuel, and garbage collection. For all owners of mortgaged homes, costs were higher for age groups under 55 than costs for age groups 55 and over. Factors related to higher costs for married-couple owners under 55 are the prices and interest rates on mortgaged homes purchased in recent years.

Nonmortgaged Homes

The median monthly cost in nonmortgaged homes was $191 in 1985. Housing costs in nonmortgaged homes include all items used in calculating costs for mortgaged homes, with the exception of mortgage payments.

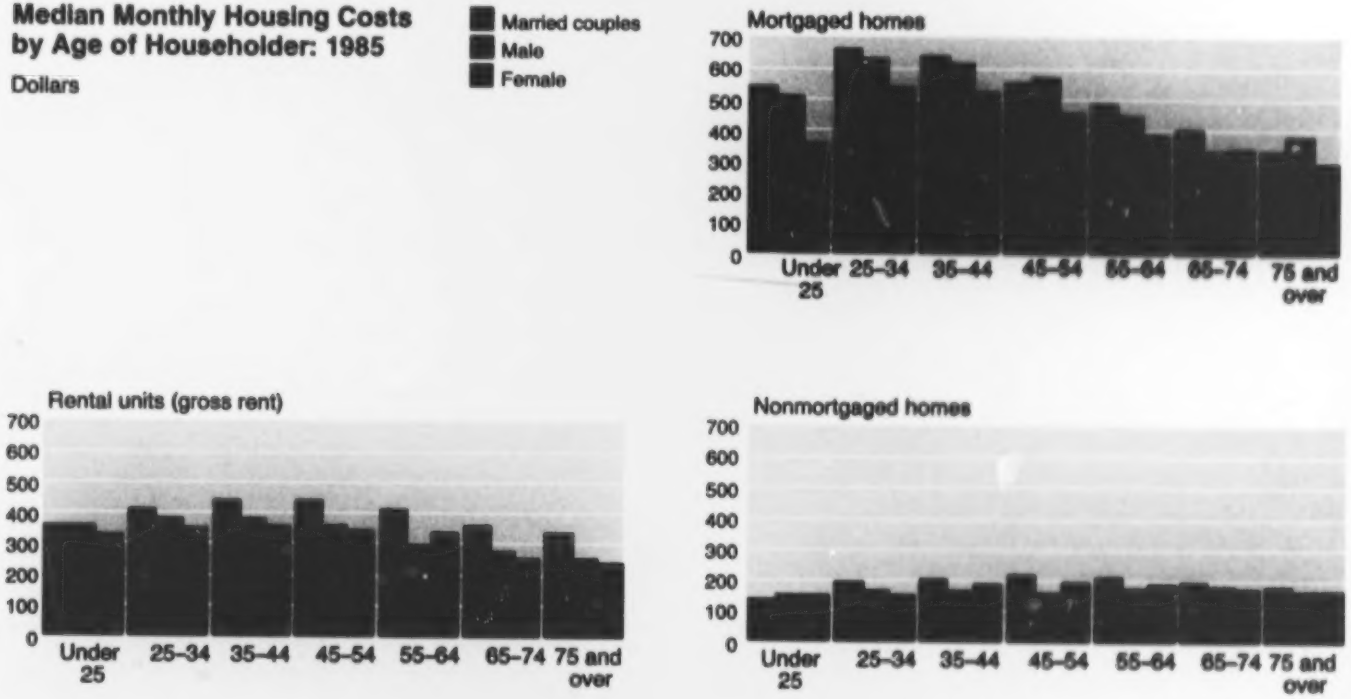
There were no median monthly costs in these homes higher than the $219 for married-couple owners in ages 45 to 54, and none were lower than $141median monthly costs for married-couple owners under 25 years.

Rental Units

Median gross rent was $365 for all renters in 1985. Rental costs were higher for married couples than for males and females in age groups 25 and older. Differences were small — less than 10 percent — between male and female renters across all householder age groups below 75.

Median Monthly Housing Costs by Age of Householder: 1985

Dollars

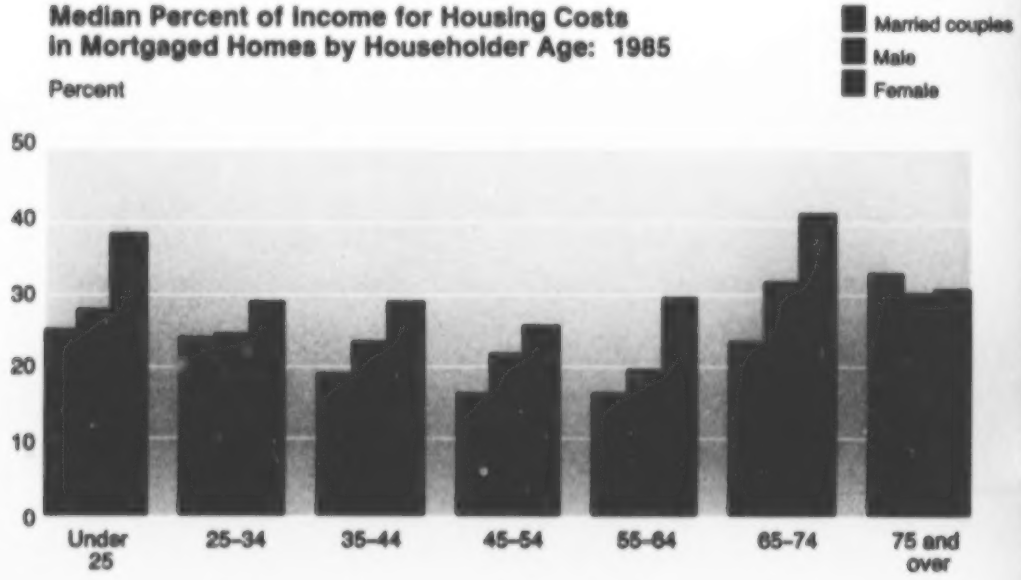


Housing Costs and Income

Mortgaged Homes

Owners of mortgaged homes spent a median 21 percent of income for housing costs in 1985. Married couples from 35 to 64, comprising more than one-half of owners of mortgaged homes, spent only a median 17 percent of income for housing. The cost burden was greater for females than for married couples and males, for owners in age groups under 75 years, except for age group 65 to 74, where cost burdens of females and married couples were not statistically different. One-fourth of female owners in mortgaged homes were widowed and one-third were divorced. The 75 and over age group comprised only about 1 percent of all mortgaged homeowners.

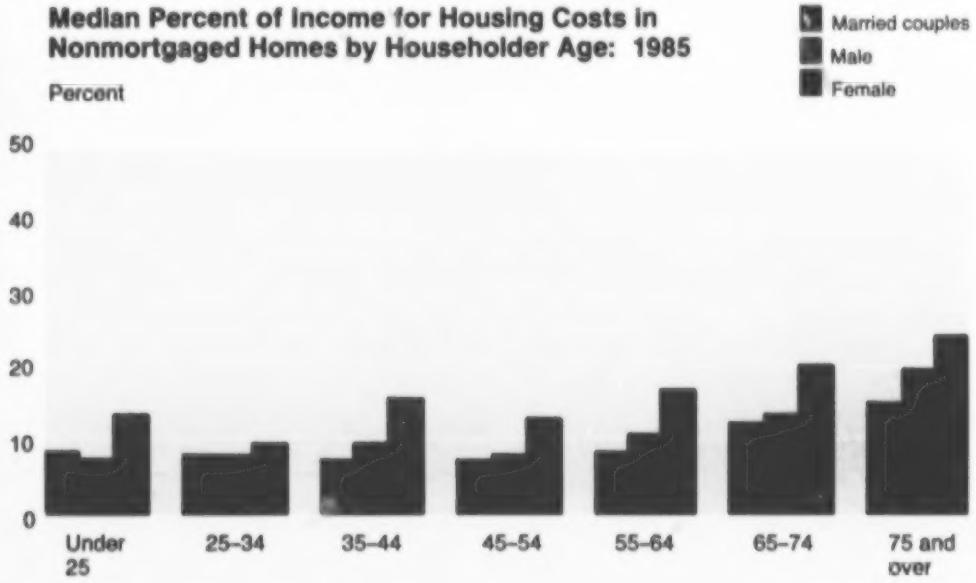
Median Percent of Income for Housing Costs in Mortgaged Homes by Householder Age: 1985



Nonmortgaged Homes

These owners spent a median 13 percent of income for housing costs in 1985. More than six-tenths were married couples and almost three-tenths were females. Less than three-fourths were 55 or older. Although median incomes of married-couple, male, and female owners of nonmortgaged homes decreased from the 45- to 54-age group to those 75 years and over, the median percent of income spent for housing costs in nonmortgaged homes did not exceed 25 percent among householders in any age group. One-fourth of mortgage-free owners were females aged 55 and over, and two-thirds of all female owners of mortgage-free homes were widowed.

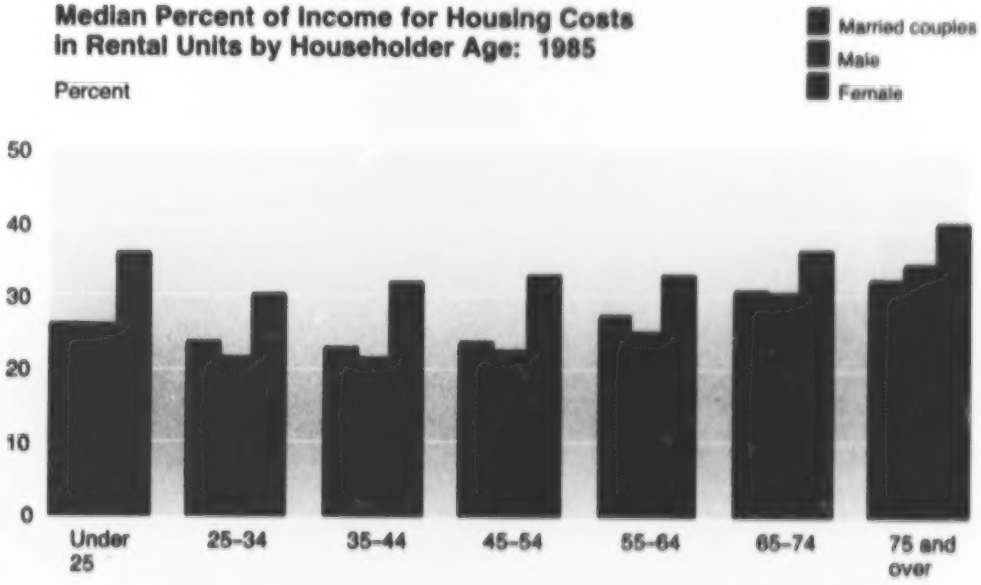
Median Percent of Income for Housing Costs in Nonmortgaged Homes by Householder Age: 1985



Rental Units

Renters paid a median 28 percent of income for gross rent in 1985. Married couples in age groups under 45 paid less than 25 percent, and those 65 and over paid 31 percent. Male renters spent less of their incomes than female renters in all age groups. Females spent about 30 percent or more of their income for rental costs in all age groups. The 3 million female renters aged 65 and over spent in excess of 35 percent of their income for rental costs. Married-couple householders in the important home-buying group, 25 to 34, spent a median 23 percent of their incomes for housing, both as renters and as owners of mortgaged homes. In the 35 to 44 age group married-couple renters also spent a median 23 percent of their incomes for housing, but homeowners 35 to 44 with a mortgage spent a median of only 18 percent of their incomes for housing costs.

Median Percent of Income for Housing Costs in Rental Units by Householder Age: 1985



Owners and Marital Status

All Owners

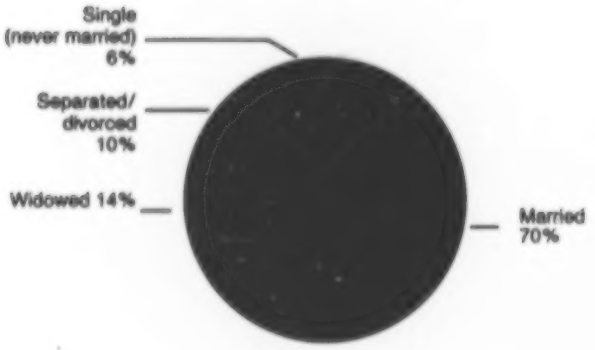
Seven of ten owners were married persons in 1985. One of seven owners was widowed and 1 in 10 was separated or divorced. Only 6 percent were single (never married).

Marital Status by Age

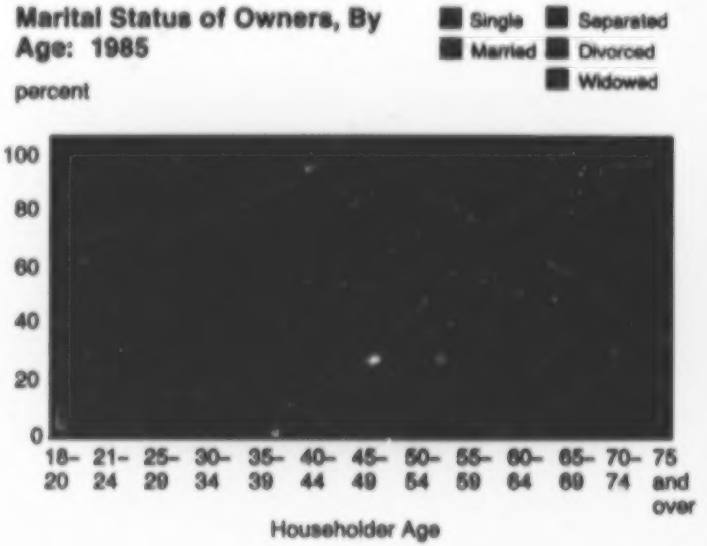
Beginning with the 21 to 24 age group, and continuing through the 60 to 64 group, married persons were 70 percent or more of all owners in 1985. Single (never married) persons made a strong entry among the small numbers of owners in the youngest age groups — 25 percent of owners 21 to 24 were single. Singles dropped to 10 percent of the 30 to 34 group, then were only 5 percent or less of all age groups 40 and over.

Divorced persons were about one-tenth or more of owners in age groups from 35 to 54. Widowed persons were more than one-fourth of owners aged 65 to 69, more than one-third of those 70 to 74, and more than one-half of owners 75 years and over. Separated persons were only 3 percent or less of any age group of owners.

Marital Status of Owners : 1985



Marital Status of Owners, By Age: 1985



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Renters and Marital Status

All Renters

More than one-third of renters were married persons in 1985. More than one-fourth were single (never married), and one-fourth were separated or divorced. One eighth were widowed.

Marital Status by Age

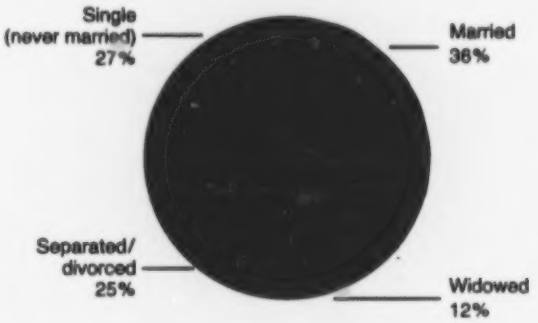
Married persons in 1985 were one-third of renters 21 to 24. Then, in age groups 25 to 44, about four-tenths of renters were married. One-fifth of renters 70 and over were married.

Divorced persons contributed substantially to the numbers of renter householders. One-fifth of renters 30 to 34 years of age were divorced, as were three-tenths aged 35 to 44. Among renters 45 to 49, more than one-third were divorced.

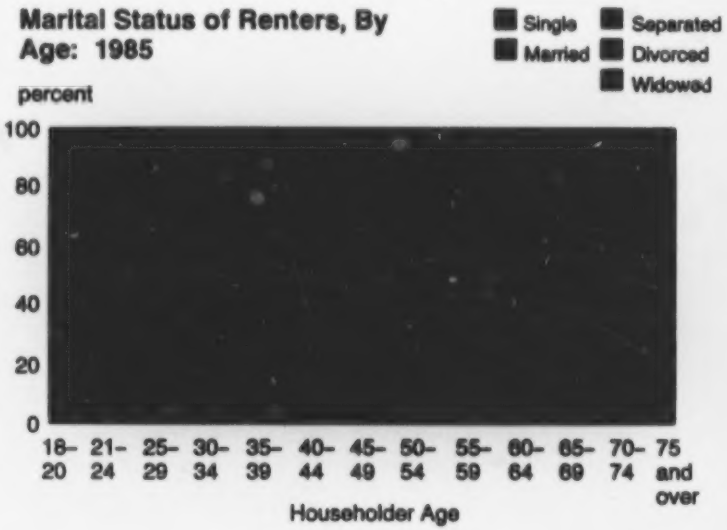
Separated persons were one-tenth or more of renters in age groups from 35 to 59. Widowed persons were one-fifth of renters 55 to 59, one-fourth of those 60 to 64, and two-thirds of renters 75 years and over.

Single persons in 1985 were more than one-half of renters under 25, four-tenths of the 25 to 29 group, and more than one-fourth of those 30 to 34. Among renters 40 years and over, single persons were only 15 percent or less.

Marital Status of Renters: 1985



Marital Status of Renters, By Age: 1985



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Getting Started in Home-ownership

Marital Status

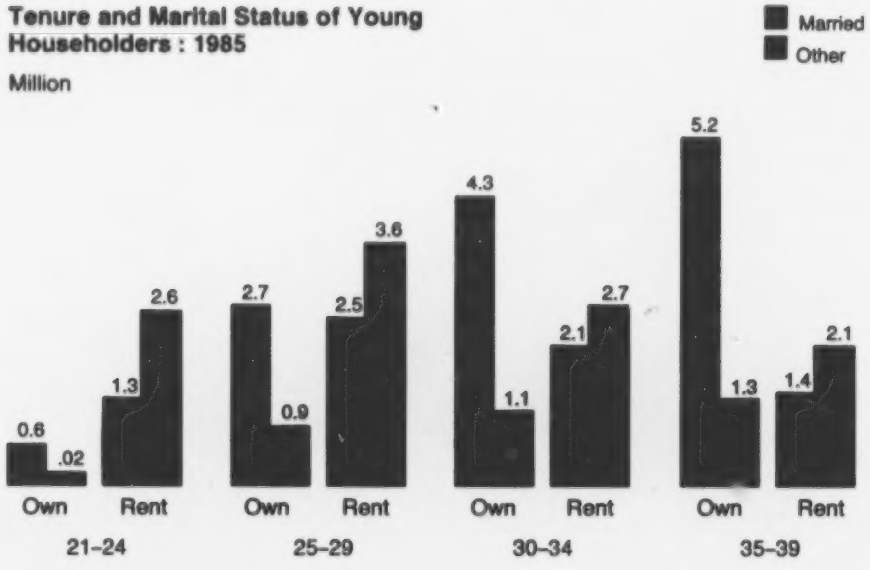
Married couples provide the demographic fuel for growth of homeownership. In 1985, seventy percent of homeowners were married. Among other homeowners, 14 percent were widowed, about 10 percent were separated or divorced, and 6 percent were single (never married).

Young Householders

The tenure of young householders shifts from predominantly renter to predominantly homeowner as householders move through the late twenties and into the early thirties. Most householders aged 21 to 24 and 25 to 29 in 1985 were renters. Householders aged 30 to 34 were predominantly homeowners. This age group included 5.4 million owners and 4.8 million renters.

A majority of married couples were homeowners in their late twenties. In 1985, 2.7 million married householders aged 25 to 29 were already homeowners; 2.5 million were renters. These are important years both for marital choice and tenure status for young adults. At ages 30 to 34, about 6 of 10 householders were married, and the married householders included 4.3 million owners and 2.1 million renters. At ages 35 to 39, married householders included 5.2 million owners and 1.4 million renters. Most married householders in age groups 25 to 39, 98 percent, were living with spouses, that is, were married couple householders.

Tenure and Marital Status of Young Householders : 1985



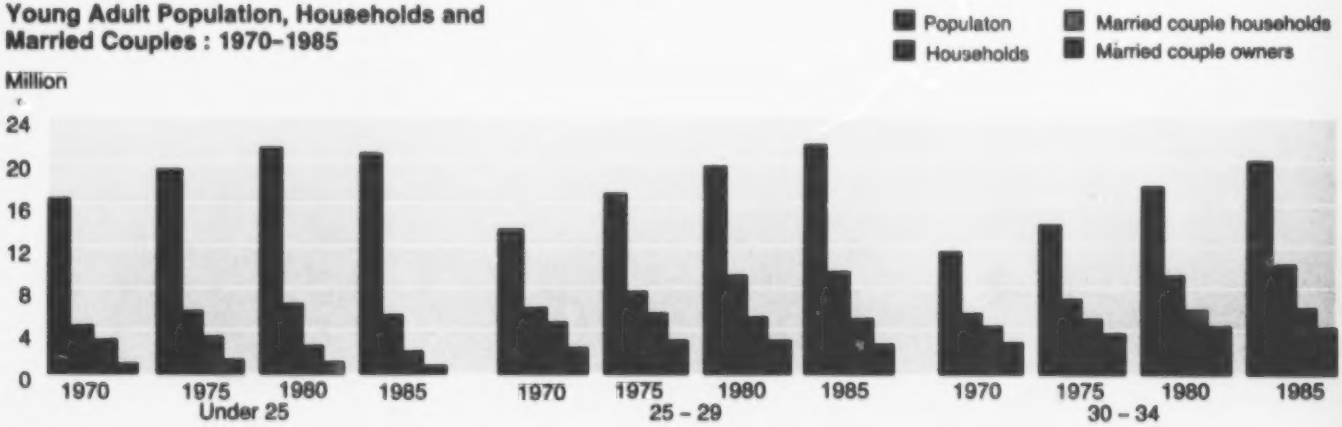
Demographic Trends

The record number of Baby Boom births spanning the years 1946 to 1964 is seen in the growth of young adults in the 1970's and 1980's. Young adult population increase provided stimulus for potential growth in households and homeownership. The growth of married-couple households and homeowners from 1970 to 1985 did not keep pace with population and household growth of young adults, however. To illustrate, population and householders aged 25 to 29 increased by 60 percent from 1970 to 1985, while married-couple households increased by 9 percent and married-couple owners by 17 percent. During the period from 1975 to 1985, numbers of married-couple households and homeowners under 30 years of age actually declined.

These changes bear testimony to the tendency for today's young adults to postpone marriage. In 1985, about four-tenths of males and one-fourth of females 25 to 29 years old were never married.

Under Census Bureau projections, husband-wife households would constitute from about one-half to three-fifths of all households in the year 2000. Over the next 15 years, the aging of the baby-boom cohorts will cause the major portion of the projected increase in the number of households from 1985 to 2000 to occur for householders between the ages of 35 and 54.

Young Adult Population, Households and Married Couples : 1970-1985



Affording the First Home

Financial Trends: 1975 to 1985

In the period from 1975 to 1985, the median price of new homes sold and the median value of all existing homes increased by more than 100 percent. In the same period, while the Consumer Price Index increased by 97 percent, median family income of married-couple renters in the prime home-buying age group, 25 to 29, increased by only 80 percent.

Required Income

Calculations were made for a hypothetical required income for first-time home buyers for selected years from 1975 to 1985.

The calculations were based on these assumptions:

- The median value of first-time homes purchased is 92 percent of the median value of existing single-family homes.
- The mortgage interest rate is based on the average effective interest rate for all loans closed by major lenders, as reported by the Federal Home Loan Bank Board.
- The amount of the mortgage is based on down payments of 10 or 20 percent.
- Required income is four times the principal and interest payments for a 30-year mortgage, thereby limiting payments to one-fourth of income.
- Married-couple renters with income above the required income can afford the median value first-time home purchase.

Financial Trends : 1975 to 1985

Median	Percent change[1]
New home sales price	115
Value of all homes	125
First-time home purchase value	125
Family income:	
All owners	105
Married-couple owners aged 25 to 29	118
All renters	83
Married-couple renters aged 25 to 29	80
(Consumer Price Index)	(97)

[1] Based on current dollars

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Required Income Vs. Median Income

The combined effects of mortgage interest rates, home prices, and incomes are seen in this illustration. After interest rates averaged more than 14 percent in 1981, lower rates kept required income from going any higher in 1983 and 1985, despite increases in home values. In constant 1985 dollars, median income of married-couple renters 25 to 29 years of age decreased by 8 percent from 1975 to 1985, while income of married-couple owners in this age group increased by 11 percent.

In 1975, median income of married-couple renters 25 to 29 years old was almost one and one-half times the required income for first-time home purchase, for an 80-percent loan. In 1985, it was only 94 percent of the required income. Ratios for a 90-percent loan were lower.

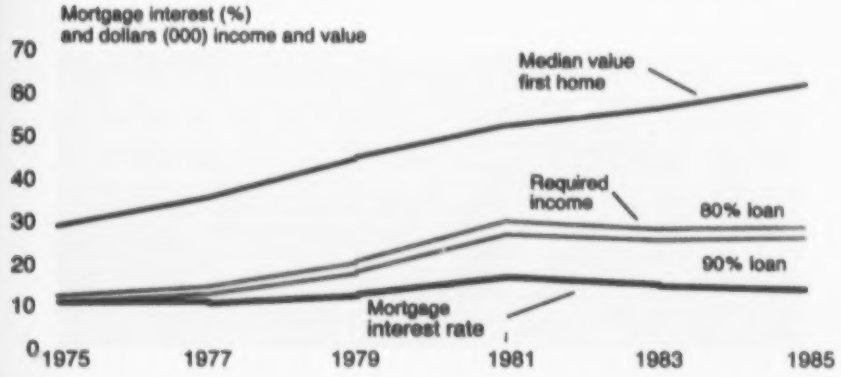
Required Income for First-time Home Purchase vs. Median Income of Married Couples 25 to 29 Years Old

Married Couples 25 to 29

Ratio : Median Income to Required Income

Year	80% loan		90% loan	
	Renters	Owners	Renters	Owners
1975	1.45	1.77	1.29	1.57
1977	1.27	1.70	1.13	1.51
1979	.97	1.31	.86	1.17
1981	.72	.99	.64	.88
1983	.85	1.18	.75	1.05
1985	.94	1.38	.83	1.23

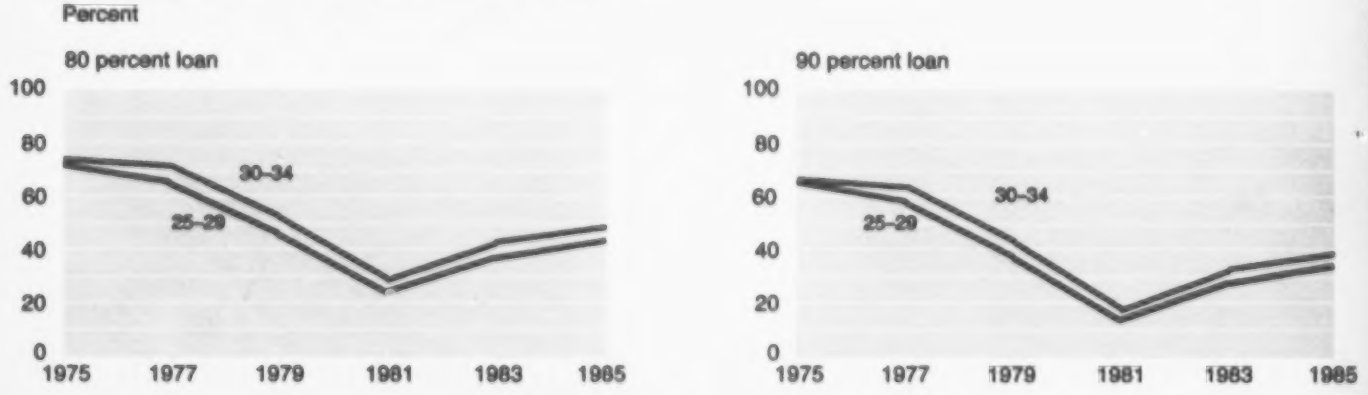
Required Income for First-time Home Purchase : 1975 - 1985



Young Married Couples

In 1985, less than one-half of married-couple renters 25 to 29 and 30 to 34 years old had the required income for the median value first-time home purchase under these guidelines. In 1975, about three-fourths of married-couple renters in these age groups had the required income for an 80-percent loan, and two-thirds theoretically qualified for a 90-percent loan. Low levels of "eligibility" were reached in 1981, during a period of high interest rates, when only about three-tenths of young married-couple renters had incomes adequate to qualify for the median value first-time home purchase. These estimates are based on nationwide data, and do not reflect variations in local housing markets.

Percent of Married-Couple Renters Aged 25-29 and 30-34 with Required Income for Median Value First-time Home Purchase: 1975 - 1985



Household Mobility

Regional Location

The most mobile region in 1985 was the West, where 23 percent of householders moved during the previous 12 months. Both the West and South had higher household mobility rates than the 19 percent for the United States. Mobility was lowest in the Northeast, where 14 percent of householders were movers. Outmigration of population (1 year old and over) to other regions outpaced inmigration to the Northeast every year from 1981 to 1985.

Metropolitan Residence

Most of the 16.6 million householders who moved inside the United States, 9.3 million, moved within the same metropolitan area (MSA). About 7.3 million householders moved among different central cities, suburbs, and nonmetropolitan areas. As a result of these interarea moves, central cities and nonmetropolitan areas experienced net losses among mover households, and suburbs gained.

Owners and Renters

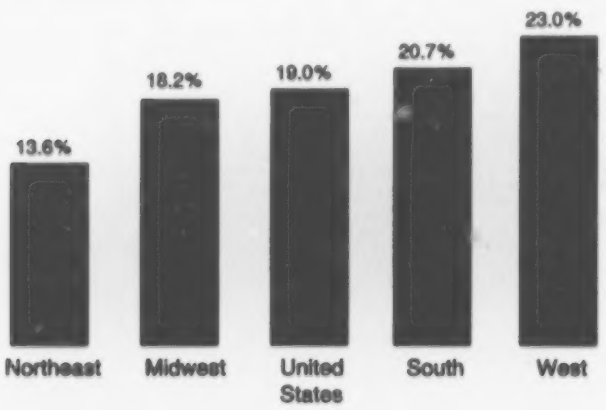
In 1985, 16.8 million householders moved into their present residence during the previous 12 months. This 19 percent of the Nation's households included 4.7 million owners and 12.2 million renters. Thirty-eight percent of renters moved, more than four times the approximately 8 percent of owners who moved.

Mobility of Owners and Renters: 1975 – 1985

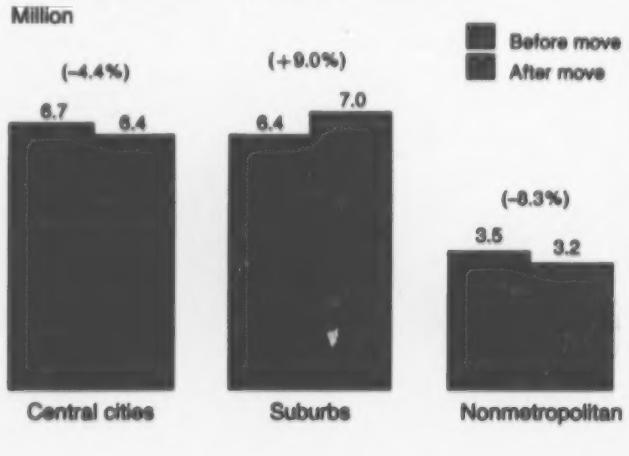
Percent of Householders Who Moved Into Residence in Past Year

Year	Owners	Renters
1975	8.5	37.8
1977	11.2	38.9
1979	8.9	38.4
1981	8.9	37.7
1983	8.5	38.3
1985	8.3	37.7

Regional Household Mobility: 1985
(Percent who moved into residence during past year)



Metropolitan Residence of Recent Movers: 1985
(Householders moving during past year)



Housing Turnover

Tenure Shifts

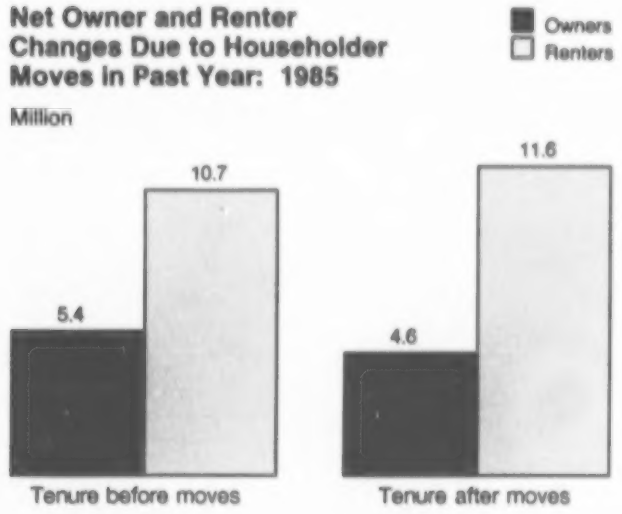
Moves by householders within the United States during the previous 12 months resulted in a net loss of homeowners. Before these householder moves, 5.4 million were owners; after the moves, 4.6 million were owners. There was a net gain for renters among mover householders, from 10.7 million before moving to 11.6 million after moving.

Tenure remained the same for 11.1 million householder moves, including 2.5 million from owner to owner, and 8.6 million from renter to renter. There were 5.1 million cross-tenure moves. Three million owner to renter moves outnumbered the 2.1 million renter to owner moves.

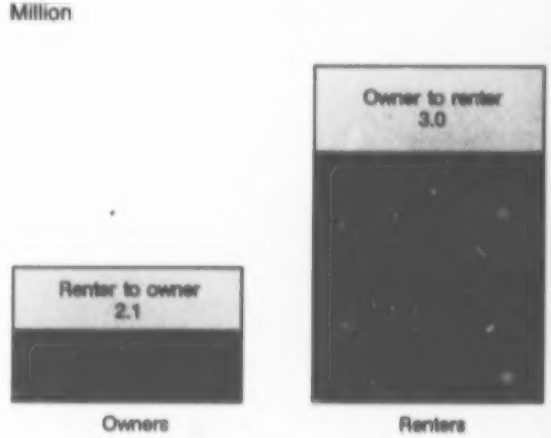
Ownership Experience

The 4.7 million owners in 1985 who moved into their homes during the previous 12 months included 3.9 million who had purchased their homes in 1984 or 1985. These recent home purchasers included 1.5 million first-time home owners, or 38 percent, and 2.4 million previous owners, or 62 percent.

Net Owner and Renter Changes Due to Householder Moves in Past Year: 1985



Tenure Shifts of Recent Movers: 1985



Source of Downpayment

Savings were the major source of downpayment for 49 percent of the 3.9 million recent mover owners who purchased their homes in 1984 or 1985. Another 28 percent financed their downpayments from the sale of a previous home, 15 percent used other sources, and 8 percent had no downpayment.

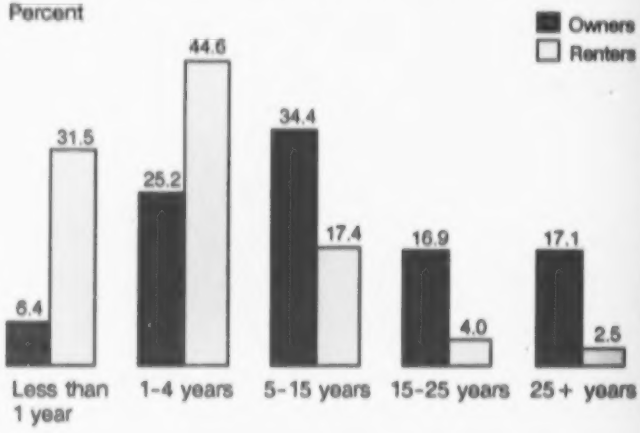
Duration of Occupancy

Occupancy of renter units is changed more frequently than occupancy of owner units, as seen in recent mover data. About one-third of rental units were first occupied by their current renters in calendar year 1985. In addition, a little less than half (45 percent) were first occupied by their current renters during the 1980–1984 period.

Homeowner units were occupied by their owner householders for longer durations. About 6 percent of owners first occupied their homes in 1985 and 25 percent, during the 1980 to 1984 period. More than one-third of homeowner units had been occupied for 5 to 15 years, and another one-third for more than 15 years.

Major Source of Downpayment Homes Purchased in 1984 or 1985
(Recent mover owners in 1985)

Duration of Housing Occupancy by Time in Present Residence: 1985



Female Householders and Housing

Female householders with no husband present.

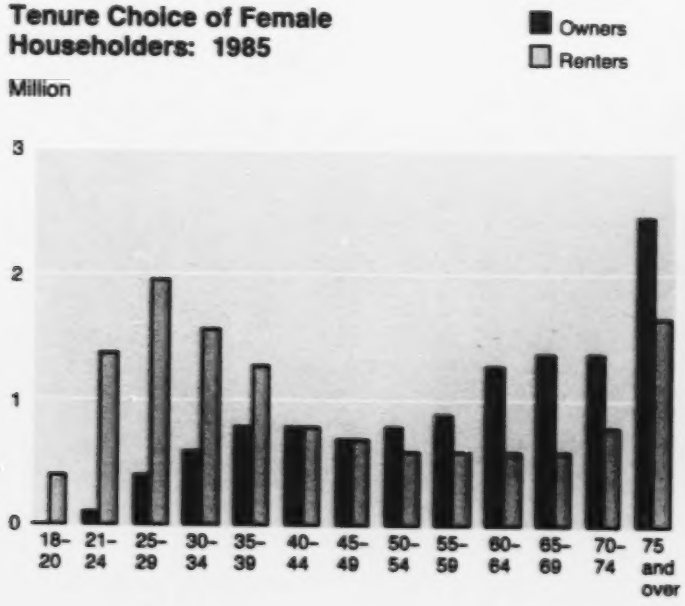
Tenure Status

The Nation's 24.7 million female householders outnumbered the 13.8 million male householders in all age groups in 1985 except among householders 25 to 29 years old, where the difference was not statistically significant. The ownership rate of female householders was 47 percent. Renters were predominant among female householders under 45. The largest number of female householders in any age group was 2.0 million in the 25 to 29 age group. Among age groups 50 years and older, female owners outnumbered female renters.

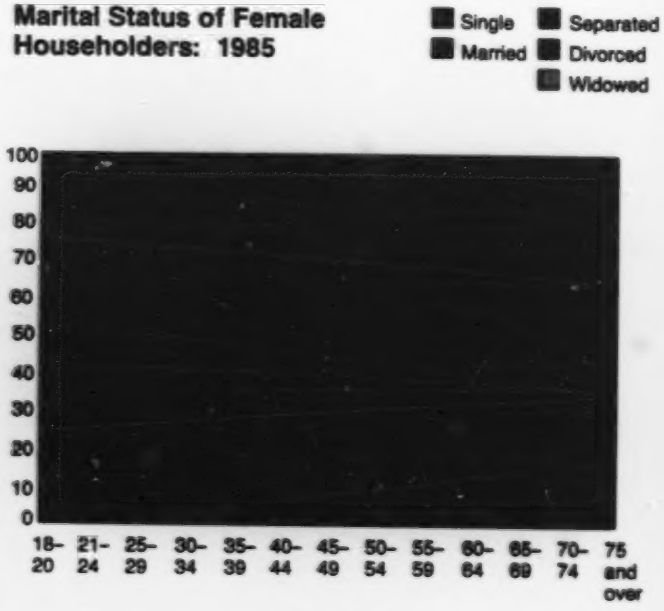
Marital Status

Four-tenths of female householders, numbering 9.9 million, were widowed persons in 1985. About one-fourth were single (never married) and about one-fourth were divorced. Smaller percentages were separated, or married with the spouse absent from the household for reasons other than separation. Single (never married) householders were a majority among the youngest age groups — those under 30. In the 30 to 34 age group, one-half were separated or divorced. Widows were one-half the 55 to 59 age group, and a majority among older age groups of female householders.

Tenure Choice of Female Householders: 1985



Marital Status of Female Householders: 1985



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Male Householders and Housing

Male householders with no wife present.

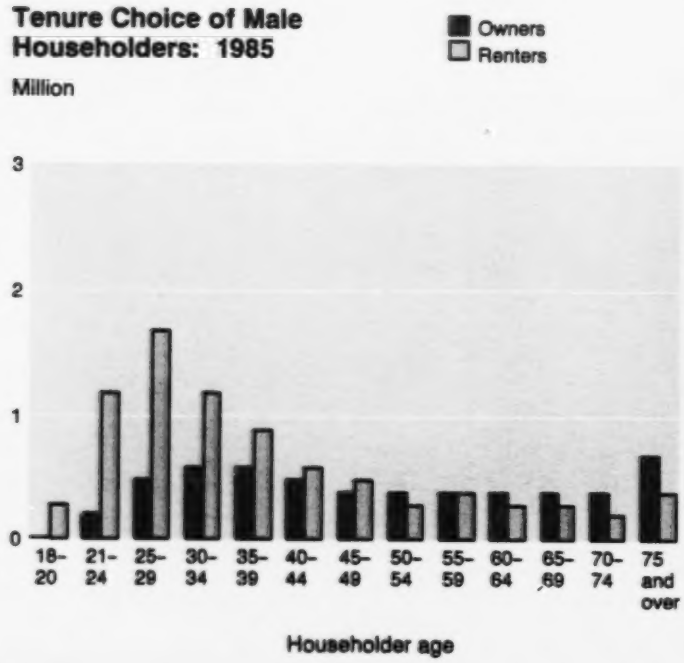
Tenure Status

There were 5.6 million male owners and 8.2 million male renters in 1985. The ownership rate of male householders was 41 percent. Renters outnumbered owners in age groups under 40. In age groups 60 years and older, owners were predominant.

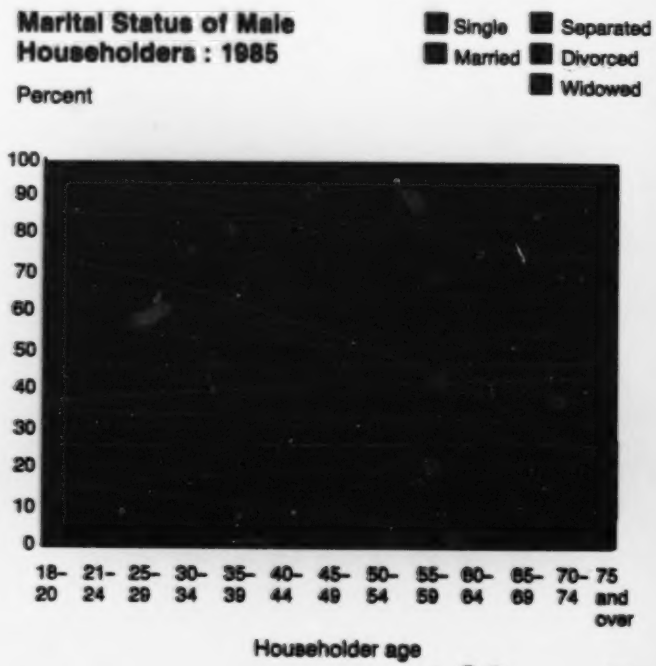
Marital Status

Overall, 45 percent of male householders were single (never married), 28 percent divorced, 15 percent widowed, and smaller percentages separated or married, but not living with a spouse. Singles were a majority among age groups under 35. Divorced and separated males were about 50 percent or more in age groups from 35 to 59. Widowed males were predominant in age groups 70 and over.

Tenure Choice of Male Householders: 1985



Marital Status of Male Householders : 1985



House-holders With Children

Owners and Renters

Householders with their own children under 18 years of age lived in 31.5 million homes in 1985, only 1.6 million more than the 29.9 million households with children in 1975, an increase of only about 5 percent. Households with no children generated greater demand for housing in the 1975 to 1985 period, increasing by one-third, or 14.3 million.

While homeowner units with no children increased by 9.8 million from 1975 to 1985, those with children decreased by about one-half million. Owner homes with children had numbered 21.6 million in 1981, then dropped to 20.4 million in 1985. Renter household increases from 1975 to 1985 were 4.5 million with no children and 2.1 million with children under 18.

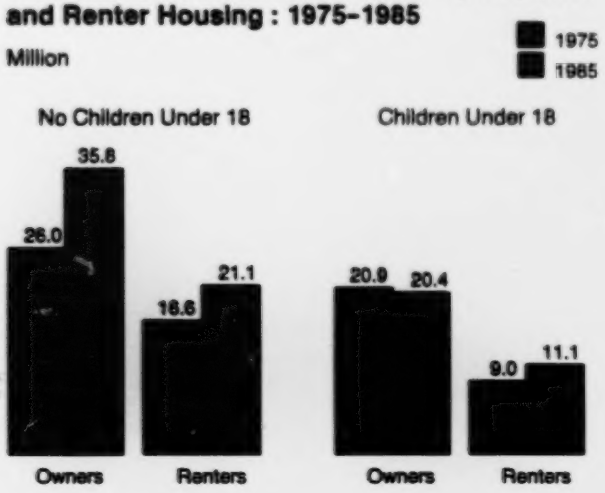
Households

More than three-fourths of householders with own children were married persons in 1985. About one-fifth of householders with children were maintained by female parents and less than one-twentieth by males. Most nonmarried householders, 4.7 million, were renters. Among renters with children, one-sixth were divorced, one-tenth separated, and one-eighth single (never married). Householders 25 to 44 years old comprised about three-fourths of homes with children under 18. A majority of householders under 30 were renters, and owners dominated among householders aged 30 and older.

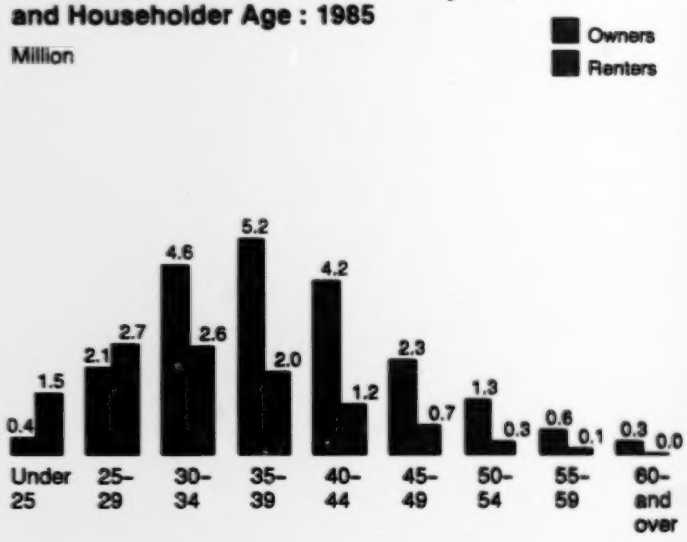
Housing

About three-fourths of householders with own children lived in single-family homes in 1985. One-fifth lived in multi-unit buildings and slightly more than one-twentieth lived in mobile homes. Low-rise buildings were the predominant residences for households with children; only one-twentieth lived in buildings with four floors or more.

Presence of Own Children Under 18 in Owner and Renter Housing : 1975-1985



Families with Children Under 18 by Tenure and Householder Age : 1985



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Elderly Householders and Housing

Growth and Tenure

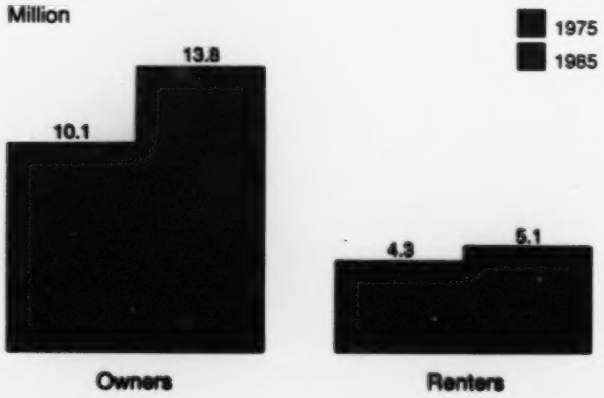
There were 18.9 million householders in 1985 aged 65 years and older. Almost three-fourths were homeowners. Elderly owners increased by more than one-third, from 10.1 to 13.8 million, from 1975 to 1985, and elderly renters, by almost one-fifth, from 4.3 to 5.1 million. Forty percent of the Nation's 9.3 million increase in owner-occupied homes from 1975 to 1985 were maintained by elderly homeowners in 1985.

Households and Housing

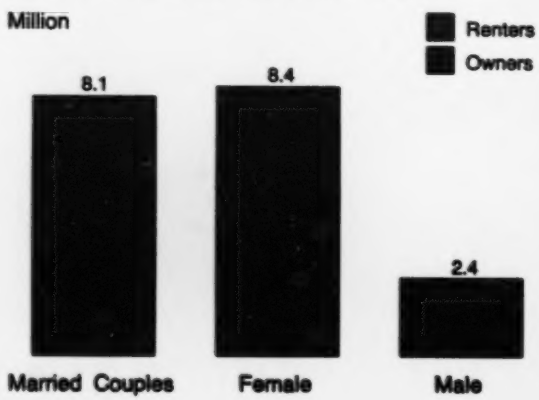
The 8.4 million elderly female householders out-numbered married couples and male householders in 1985. Homeowners were a majority among each of these three householder categories.

Slightly more than two-thirds of elderly householders lived in single-family homes. About one-fourth lived in multi-unit structures and one-twentieth lived in mobile homes. Only one-tenth of elderly householders lived in buildings of four floors or more.

Owners and Renters 65 and Over 1975 and 1985



Tenure and Household Type Householders 65 and Over: 1985



Housing and Black Householders

Housing

Black householders occupied 9.9 million housing units in 1985. More than half, 57 percent, lived in central cities of metropolitan areas. Forty-four percent were homeowners.

More than one-half of Black households lived in single family homes; one-fourth lived in buildings with five or more units; and one-sixth in buildings with two to four units. Only one-seventh of Black households was in buildings with four stories or more, although this was a greater proportion than for all households.

About 5 million Black households were housed in one-unit, detached homes, with median size of 1,337 square feet, averaging 487 square feet per person, on a median lot size of almost one-fourth acre.

Households

About one-third were married-couple households, and three-tenths were female householders without husband present in multiperson households. Other characteristics were: about one-third contained members other than spouse or children; one-fifth contained single adult offspring 18 years or older; two-fifths had children under 18; and one-twentieth had members constituting three generations.

Housing Costs

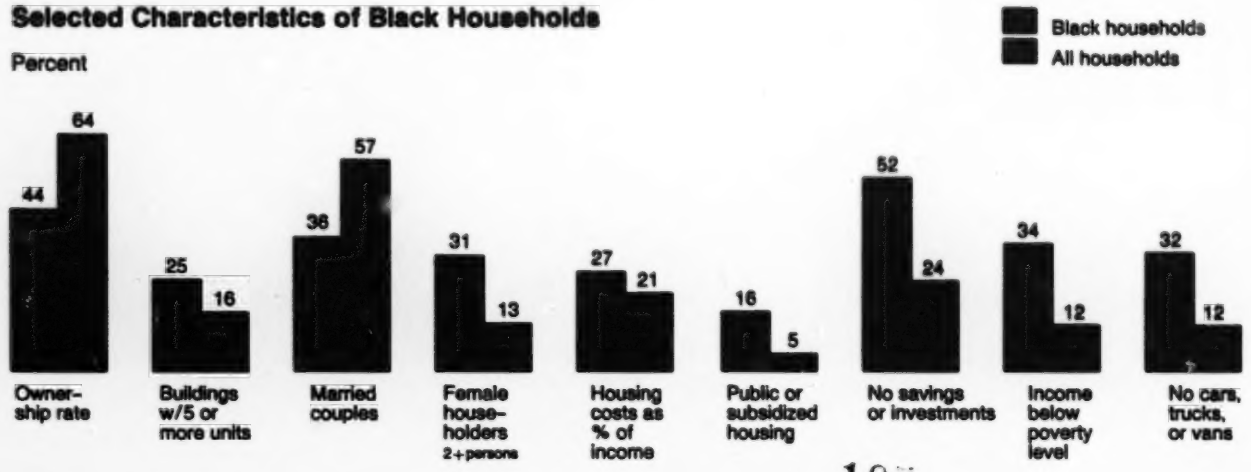
Median monthly housing costs were $311 for Black households, lower than the $355 monthly costs for all U.S. households. However, the economic burden was greater for Black households, who spent a median 27 percent of income for housing costs, compared to 21 percent for all households. One-sixth of Black households lived in public or subsidized housing. The median household income for Blacks was $13,666, 60 percent of the median income of all households. One-third of Black households were below the poverty level; one-fifth was on welfare or Supplemental Security Income; about one-fourth had food stamp recipients; and about one-half had no savings or investments.

Housing Amenities

Ninety-eight percent of Black households had complete plumbing facilities in their housing units. Telephones were available in 84 percent of homes occupied by Black householders.

One-third of Black householders had a separate dining room in their housing units. One-eighth had a usable fireplace in their homes. One-third of Black households had no cars, trucks, or vans available.

Selected Characteristics of Black Households



Housing and Hispanic Householders

The term "Hispanic" is used interchangeably with "Spanish" and "Spanish-origin" in this report.

Housing

Hispanic householders occupied 5.1 million housing units in 1985. Nine-tenths of Hispanic householders lived in metro areas, a little more than one-half lived in central cities. Two-fifths were homeowners.

Fifty percent lived in 1-unit homes; 45 percent lived in multi-unit buildings. Fifteen percent lived in buildings of four stories or more, a greater percent than for all households.

The 2.5 million Hispanic householders in single, detached or mobile homes had a median house size of 1,298 square feet, or 385 square feet per person, on a median lot size of one-fifth acre.

Households

More than one-half, 54 percent, were married couple households, and one-fifth were maintained by female householders with no husband present in multiperson households. Also, about one-third of Hispanic households included persons other than spouse or children; one-fifth had single adult offspring 18 years or older; more than one-half had children under 18; and one-twentieth had three generations living in the household.

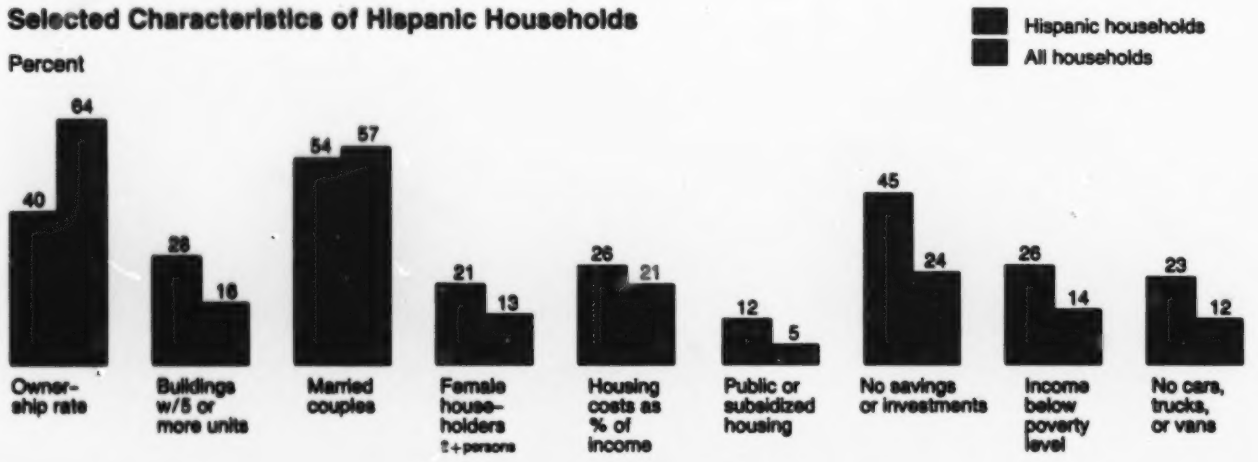
Housing Costs

Median monthly housing costs were $357, the same as costs for all U.S. households. Hispanics spent a median 26 percent of income for these costs, higher than the 21 percent for all households. One-eighth lived in public or subsidized housing. The median household income for Hispanic households was $17,055, a little more than three-fourths the overall U.S. median. About one-fourth of Hispanic households were below the poverty level; one-sixth were on welfare or Supplemental Security Income; one-sixth had food stamp recipients; and a little less than one-half (45 percent) had no savings or investments.

Housing Amenities

Ninety-nine percent of Hispanic homes had complete plumbing facilites, 84 percent had telephones available in their homes, 28 percent had a separate dining room, and 15 percent had a usable fireplace. Twenty-three percent had no cars or trucks available.

Selected Characteristics of Hispanic Households



Appendix: Sources and Limitations of the Data

Sources of Data

This report includes data from the Bureau of the Census; the Bureau of Economic Analysis; the Bureau of Labor Statistics; the Federal Home Loan Bank Board, Office of Policy and Economic Research; and the United Nations (UN), Department of International Economic and Social Affairs. The Census Bureau data were collected primarily from the American Housing Survey, decennial census, and current construction statistics. The UN data is from a compendium on human settlements statistics, while the balance of the sources provides data on various economic indicators.

American Housing Survey (AHS)

The estimation procedure implemented for the AHS data involved the inflation of weighted sample estimates to independent control totals of the United States housing inventory and new construction by tenure, race of householder, household status, and region. These independent estimates are derived from the decennial censuses and the Current Population Survey (CPS), which is a monthly survey conducted by the Bureau of the Census for the Bureau of Labor Statistics to provide monthly labor force data. The estimation procedure used for 1981 and later AHS data utilized independent estimates based on the 1980 decennial census; 1980 and earlier AHS data utilized independent estimates based on the 1970 decennial census. The 1980-based estimates are about 2 percent higher than the corresponding 1970-based estimates. This will cause estimates of change between 1980 or earlier AHS and 1981 or later AHS data to be overstated. This overstatement should be taken into consideration in the analysis of estimates of change.

In addition, the AHS was redesigned in 1985, which involved the selection of a new set of primary sampling units (PSUs), as well as a sample of housing units within each PSU. Several changes to weighting procedures and inventory estimation were also implemented in 1985 to improve the AHS count of housing units in the United States. Vacant mobile homes were added to the housing inventory to improve coverage of vacant housing units and an adjustment to occupied housing units was made to account for the net undercount from the 1980 census. The data from the 1983 or earlier AHS will not be entirely comparable with the 1985 AHS data for these reasons. The user should take into account this issue when making such comparisons.

Comparability with Other Data

Data obtained from the AHS and other governmental sources are not entirely comparable. This is due in large part to differences in interviewer training and experience, and in differing survey processes. Therefore, caution should be exercised in comparing data from various sources.

Reliability of the Estimates

Since the estimates in this report were based on AHS and other survey samples, they may be somewhat different from those that would have been obtained from a complete census, even if all interviewing conditions were identical. There are two types of errors associated with estimates based on data from sample surveys: sampling and nonsampling errors. The accuracy of survey estimates depends on the net effect of sampling and non-sampling errors.

Sampling Variability

The sample that is chosen for a survey is one of many possible samples of the same size that could have been selected under the same sample design. Even if the questionnaires, instructions, and all other interviewing conditions were the same, estimates from each of the different samples would differ from each other. The variability among estimates from all possible samples is defined as sampling error. It is an indication of how close the estimate is to the average result from all possible samples and reflects the chance variations that occur because a sample was surveyed rather than the entire population. In addition, the standard error also partially reflects the variation in the estimates due to some nonsampling errors, but it does not measure any systematic biases in the data. Standard errors are not given in this report because of its general nature and variety of data sources. Standard errors may be found in the cited publications or by contacting the particular subject matter specialist.

Nonsampling Errors

Nonsampling errors may be attributed to many sources and occur during all stages of the survey process. They include: inability to obtain information about all cases; definitional difficulties; differences in the interpretation of questions among respondents; inability or unwillingness to provide correct information on the part of respondents; mistakes in recording or coding the data; and other errors of collection, response, processing, coverage, and estimation for missing data.

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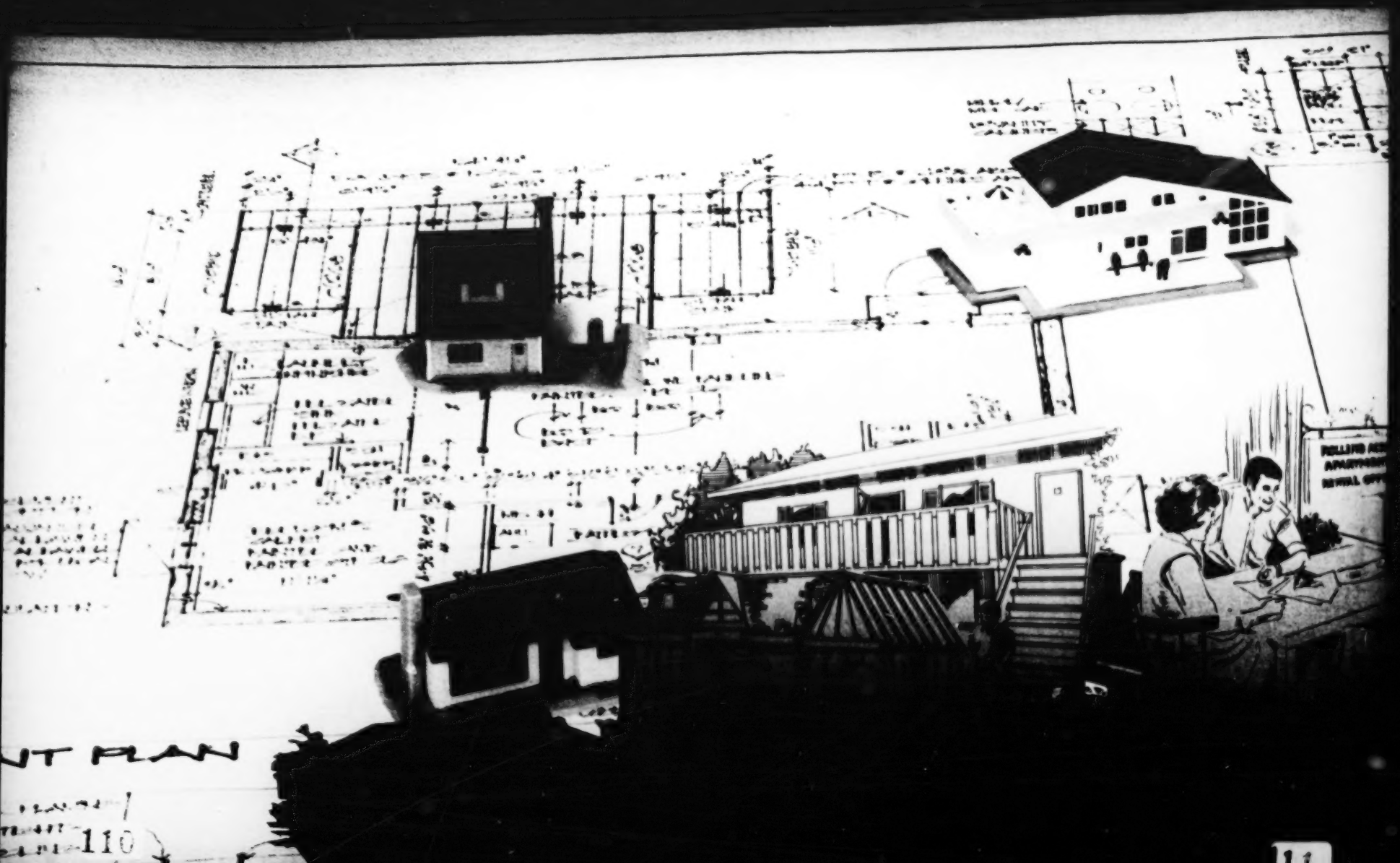
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